

EDUCATION LOAN SCHEME

INTRODUCTION

- The Education Loan Scheme was formulated in November 2004 on IBA guidelines as per Govt. of India directives. The Model Education Loan Scheme was revised by IBA in November 2007 and forwarded to member banks for implementation. IBA has also advised few changes subsequently, which have been incorporated in the scheme.

PURPOSE

- The Scheme seeks to extend financial assistance to deserving/meritorious students for pursuing higher education in India and abroad.

ELIGIBILITY CRITERIA

- Loan will be available at the branch/bank nearest to place of residence

Courses Eligible

a. Studies in India :

- Professional courses : Engineering, Medical, Agriculture, Veterinary, Law, Dental, Management, Computer, etc.
- Computer Certificate courses of reputed institutes accredited to Department of Electronics or Institutes affiliated to a university.
- Courses like ICWA, CA, CFA, etc.
- Courses conducted by IIM, IIT, IISc, XLRI, NIFT, etc.
- Courses offered in India by reputed foreign universities.
- Other courses leading to Diploma/Degree etc., conducted by colleges/universities approved by UGC/Govt./AICTE/AIBMS/ICMR, etc.
- Courses offered by National Institutes and other reputed private institutions.
- Regular Degree/Diploma courses like Aeronautical, Shipping etc., approved by Director General of Civil Aviation/Shipping, if the course is pursued in India. In case the course is pursued abroad, the Institute should be recognised by the competent local aviation/shipping authority

b. Studies abroad :

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

AICTE/UGC APPROVED COURSES

- AICTE vide Advt. No. AICTE/Admn.IV/08(01)/2008 published in the News Papers that it is mandatory to obtain AICTE approval for "Technical Education".
- UGC approved courses are also eligible for Education Loan.

STUDENT ELIGIBILITY

- Should be an Indian National
- Secured admission to Professional/Technical courses through Entrance Test/Merit based Selection process.
- Secured admission to foreign university/Institutions.
- An affidavit/declaration confirming that no loan has been availed from other bank/FI.

Note: As per IBA Guidelines, it would be in order for banks to consider a meritorious student (who qualifies for a seat under merit quota) eligible for loan under Education Loan scheme even if the student chooses to pursue a course under Management Quota.

EXPENSES CONSIDERED FOR LOAN

- Fee payable to college/school/hostel: Where the student will be making his own boarding and lodging arrangements, the sanctioning authority is authorized to fund boarding and lodging expenses on the basis of estimate submitted by the student/parent, provided such expenses are not more than those charged by the educational institution for boarders.
 - Examination/Library/Laboratory fee.
 - Purchase of books/equipments/instruments/uniforms. #
 - Caution deposit /building fund/refundable deposit supported by Institution bills/receipts the amount considered for loan **should not exceed 10% of the tuition fees for the entire course.**
 - Travel expenses/passage money for studies abroad.
 - Purchase of computers - essential for completion of the course. #
 - Any other expense required to complete the course - like study tours, project work, thesis, etc. #
- # The maximum expenses should not exceed 20% of the total tuition fees payable for completion of the course.**

QUANTUM OF FINANCE

- Need based finance subject to repaying capacity of the parents/students with margin and the following ceilings:
 - Studies in India - Maximum Rs. 10.00 lacs.
 - Studies Abroad - Maximum Rs. 20.00 lacs.

MARGIN

- Upto Rs.4 lacs : Nil.
 - Above Rs.4 lacs : Studies in India: 5 %, Studies Abroad : 15 %.
- Margin to be brought in on year to year basis as and when disbursements are made on a pro-rata basis.**

SECURITY

a) Upto Rs. 4 lacs

- Co-obligation of parents
- No security

b) Above Rs. 4 lacs and upto Rs.7.50 lacs.

- Co-obligation of parents together with collateral security in the form of suitable third party guarantee.

c) Above Rs.7.50 lacs

- Co-obligation of parents together with tangible collateral security of suitable value, along with the assignment of future income of the student for payment of instalments.

INTEREST SUBVENTION

- Subvention of interest for the entire moratorium period in case of parental annual income up to Rs. 4.50 lacs subject to submission of Income Certificate and signing of agreement.

Repayment holiday/moratorium:

Course period + 1 year or 6 months after getting job, whichever is earlier.

CHECKLIST FOR EDUCATION LOAN

1. APPLICATION FORM

- Duly filled in and signed application form by the student and the parent/guardian jointly.
- Statement of assets and liabilities of borrower/co-borrower/Guarantor

2. KYC COMPLIANCE AND OPENING OF ACCOUNT

- Joint account in the name of student and Co-Borrower (guardian).
- Proof of residence: Electricity Bill/ Latest Municipal Rent Receipt /Employer's Certificate etc.
- Proof of identification: Electoral ID Card, Passport/Driving Licence/PAN Card.
- PAN Card of the student and the parent/guardian. **(The Education Loan Application from the Student cannot be denied for want of PAN CARD at the time of applying for Education Loan. Branches to help the student in getting the PAN Card. Before Disbursement, the concerned branch will ensure the availability of PAN CARD in the name of student and parent/guardian.)**
- Statement of bank account for the last six months of the Co-Borrower.
- Two passport size photographs of borrower /Co-Borrower/Guarantor.

3. ADMISSION RELATED DOCUMENTS

- Mark sheet & Certificate of Class X, XII, Graduation & last qualifying examination of the student.
- Proof of admission to the course.
- Copies of letter confirming scholarship etc, if applicable.
- Prospectus/documents evidencing course commencement and duration.
- Schedule of expenses for the course.
- Evidence showing admission secured to professional/technical courses through Entrance Test/Selection process.
- Letter of justification for any gap in studies.
- Photocopy of passport & visa in case of study abroad.
- Copy of Ranking of the Institution/University in case of study abroad.

4. INCOME RELATED DOCUMENTS OF CO-BORROWER

- For salaried person: Employment details for last 2yr/Latest Salary slip showing all deduction & latest TDS certificate (Form 16)
- For self-employment/professionals & businessmen: IT return for 2 yrs duly acknowledged by the ITO, if assessed.

Note: i. **Income Certificate of the parent issued by Circle Officer to ascertain the eligibility of the student for getting the benefit of interest subsidy wherever eligible.**

ii. **Life Insurance coverage to be provided at the discretion of the student.**

iii. **Other relevant documents as per the guidelines of the Sanctioning Bank**

Name of the Bank:

Branch Name:

EDUCATION LOAN APPLICATION FORM**APPLICATION CUM APPRAISAL FORM FOR EDUCATION LOAN**(PLEASE COMPLETE ALL PARTICULARS IN
BLOCK LETTERS AND TICK BOXES
WHEREEVER APPLICABLE)

CIF NO.(FOR OFFICE USE)

ACCOUNT NO.(FOR OFFICE USE)

Signed photograph of Student

Signed photograph of Parent /
Guardian**(1) PERSONAL INFORMATION OF THE APPLICANTS**

Name in full of the Student			
Name in full -Parent / Guardian			
	FIRST NAME ↑	MIDDLE NAME (Father / Husband)	SURNAME ↑
Relationship with the student			
PARTICULARS	Student		Parent / Guardian
1. Detailed Residential Address (House No., Road Name, Locality, City, PIN, District, State)			
2. Office Address (House No., Road Name, Locality, City, PIN, District, State)			
3. Permanent Residential Address (House No., Road Name, Locality, City, PIN, District, State)			
4. The name in which the correspondence should be addressed (Mention 1st or 2nd applicant)			
5. Address for correspondence of (tick appropriate box)	<input type="checkbox"/> Residential Address	<input type="checkbox"/> Office address	<input type="checkbox"/> Permanent Address
6. E mail address			
7. Date of birth (DD / MM / YYYY)			
8. Age	<input type="text"/> Years <input type="text"/> Months	<input type="text"/> Years <input type="text"/> Months	
9. Telephone Number (Office & Residence)	Office <input type="text"/> Residence <input type="text"/>	Office <input type="text"/> Residence <input type="text"/>	
9.A. Whether personal telephone is owned, if not the type of relationship with the owner :			
10. Mobile No.	<input type="text"/>	Fax No. <input type="text"/>	<input type="text"/>
11. Sex	<input type="checkbox"/> M <input type="checkbox"/> F	<input type="checkbox"/> M <input type="checkbox"/> F	
12. Marital Status (Please also tick Single if no living spouse)	<input type="checkbox"/> Single <input type="checkbox"/> Married	<input type="checkbox"/> Single <input type="checkbox"/> Married	
13. Residential Status (indicate date of permanent return, if any)	<input type="checkbox"/> Resident <input type="checkbox"/> NRI / PIO	<input type="checkbox"/> Resident <input type="checkbox"/> NRI / PIO	
14. Type of Identification Proof (Please indicate name of the document at (d), if any)	(a) <input type="checkbox"/> Voter ID No.	(a) <input type="checkbox"/> Voter ID No.	
	(b) <input type="checkbox"/> Pass Port No.	(b) <input type="checkbox"/> Pass Port No.	
	(c) <input type="checkbox"/> PAN	(c) <input type="checkbox"/> PAN	
	(d) <input type="checkbox"/>	(d) <input type="checkbox"/>	
14. a. Particulars of Identification Proof, Issue date, place, expiry date, etc.			
15. PAN Card no:			
16. Do you belong to	<input type="checkbox"/> SC <input type="checkbox"/> ST <input type="checkbox"/> OBC**	<input type="checkbox"/> SC <input type="checkbox"/> ST <input type="checkbox"/> OBC**	
17. Number of dependents	<input type="text"/> Children <input type="text"/> Others	<input type="text"/> Children <input type="text"/> Others	
18 Educational / Professional qualifications			
**If yes, please enclose proof thereof.			

(2) FINANCIAL / INCOME INFORMATION OF THE PARENT / GUARDIAN					
1. Monthly Gross Salary					
2. Monthly Net Salary					
3. Particulars of deductions from gross salary					
4. Other Income as per I.T. return					
5. Annual Income as per I.T. return					
(3) EMPLOYMENT DETAILS OF THE PARENT / GUARDIAN					
1. Name of the employer					
2. Name of the department					
3. Designation & Employee No.(if available)					
4. No.of years of present employment					
5. Date of retirement					
(4) DETAILS OF SECURITY OFFERED					
A) IMMOVABLE PROPERTY					
Plot / Flat / House No.	Title deed		In the name of	Address	Estimated Market value
	Lease / Freehold	Date			
B) VEHICLE / CAR - Please give details including registration number, etc.					
C) OTHER SECURITIES					
Name of the Security	Serial No.	Name of the holder		Maturity value	Estimated Market Value
(5) DETAILS OF THE COURSE / STUDY					
1. Name of the Proposed Course of Study					
2. Name of the Institution, University, Country					
3. Reasons for selection of Institution / University					
4. Ranking of the Institution or course					
5. Duration of course					
6. Date of commencement of course					
7. Expected monthly income of student after completion of the course					
8. Employment potential after completion of course					
(6) LOAN REQUEST					
COST OF THE COURSE			SOURCES		
1. Tuition fees			1. Details of non repayable studentship fellowship, etc. available to the Student		
2. Essential Books, Stationery, equipments, if any			2. Details of repayable studentship / fellowship, etc. available to the Student		
3. Examination fees			3. Details of funds available from family sources for the course		
4. Maintenance expenditure			4. Amount of loan applied for		
5. Insurance premia for the duration of loan and start up period					
TOTAL (Should tally with the sources)			TOTAL (Should tally with the cost)		

(7) DETAILS OF FINANCIAL WORTH OF THE PARENT / GUARDIAN					
PARTICULARS	Details (Bank, branch, etc.)	Amount (Rupees)	Bank's assessment		
1. Savings in Bank (Savings Bank + Fixed Deposits)					
1.a. How long the Account has been maintained?					
2. Immovable property					
3. Current PF balance(Your share)					
4. Investment in NSCs/Share / Debentures / bonds, etc.					
5. Jewelry / gold ornaments					
6. LIC / Postal life, etc.					
7. Capital in various firms (your share), HUF share and Share in Associate Concern					
(8) ADDITIONAL DETAILS OF BANK ACCOUNTS OF THE PARENT / GUARDIAN					
Name of the a/c holder	Type of a/c	Name of Bank and branch	A/c Number		
(9) DETAILS OF EXISTING LOANS (FROM ANY BANKS)					
Purpose	Bank Name / other details and a/c No.	Date of loan	Loan Amt	Present outstanding	Mode of payment
Housing loan					
Car loan					
PF Loan					
Borrowings from friends and relatives					
Credit Society					
Others (Please specify)					
Other details	EMI	Details of security charged			
Housing loan					
Car loan					
PF Loan					
Borrowings from friends and relatives					
Credit Society					
Others (Please specify)					
(10) PROPOSED / PREFERRED REPAYMENT AND PAYMENT OF INTEREST					
Mode of Repayment (How many months or how many EMIs ?)					
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
By Student	By Guardian	Payment of full interest as and when applied during the moratorium	No interest will be paid during moratorium		
(11) GENERAL					
3. Do you have an existing relationship with the Bank, if so, details thereof					
4. Do you wish to open a Savings Bank with the Bank ?					
5. Is any guarantee given to the Bank/other Bank	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No.	If yes, details thereof
(12) DOCUMENTS REQUIRED					
<input type="checkbox"/>	Mark sheet & Certificate of Class X, XI, Graduation & last qualifying examination of the student				
<input type="checkbox"/>	Copies of letter conferring scholarship, free ship, etc.				
<input type="checkbox"/>	Documents evidencing duration of course of commencement thereof, viz. Prospectus or Certificate from the competent authority of the Institution.				
<input type="checkbox"/>	Copy of ranking of the University / Institution in case of study abroad				
<input type="checkbox"/>	Proof of admission to the course				
<input type="checkbox"/>	Schedule of expenses for the course				
<input type="checkbox"/>	Copy of the PAN Card of Student & Guardian (both) before disbursement of Education Loan.				
<input type="checkbox"/>	Two copies of pass port size photograph of the student / parent/ guardian /guarantor				
<input type="checkbox"/>	Salary certificate & form 16 of previous year (in case of employed)				
<input type="checkbox"/>	I.T. Returns for the last 2 years (if I.T. Assessee) duly accepted by the ITO				
<input type="checkbox"/>	Statement of bank account for the last six months of the guardian / parent				

<input type="checkbox"/>	Original sale deed and other document of title to property in respect of immovable property offered as collateral security.
<input type="checkbox"/>	Proof of residence (Identity Card / Passport / Voter Identification Card / Driving licence)
<input type="checkbox"/>	Tax paid receipts etc. (Advance IT / Property Tax / Municipal Tax, etc.)
<input type="checkbox"/>	Others

DECLARATION

I / We hereby apply for a loan from _____ (Name of the Bank) to the extent indicated in the Loan Request Section of this application form. I / We declare that the foregoing particulars and information furnished in this application form are true, accurate and complete and that they shall form the basis of any loan _____ (Name of Bank) may decide to sanction to me / us. I / We confirm that I / We have / had no insolvency proceedings against me / us. Nor have, I / We been adjudicated insolvent. I / We further confirm that I / We have read the terms and conditions and understood the contents therein. I / We am / are aware that if I / We opt for loan at floating rates of interest, the Equated Monthly Instalment will comprise Principal and Interest based on _____ (Name of Bank) Advance Rate which is subject to change from time to time.

I / We agree that _____ (Name of Bank) may at its discretion conduct discreet inquiries in respect of this application. I / We undertake to inform as to any change in my / our occupation / employment, residential address and to provide any further information that the Bank may require. _____ (Name of Bank) will be at liberty to take such action as it may deem necessary if my / our above statements are found to be untrue. I / We agree that _____ (Name of Bank) shall have the sole discretion to reject / reduce loan amount / our loan application without assigning any reason thereof. I / We further agree that my / our loan transactions shall be governed by the rules of _____ (Name of Bank) which may be in force from time to time. I also hereby give my consent to send the application to Loan processing cell for sanction if in order and disbursement on sanction from Processing Cell or any Branch as per process prescribed by _____ (Name of Bank). I may carry out future transactions at the above mentioned Branch as Home Branch.

Signature of the student

Place

Date.....

Signature of the Guardian

Place

Date.....

17. FOR OFFICE USE ONLY

At Branch / OSF -	Signature/s of the applicant/s obtained in our presence and verified and sent to _____ Branch on _____			Name & Signature (Branch / OSF)	
	At _____ Branch (Data related to CIF Creation)	VIP Code (0 for No , 1 for Yes)	Customer Type Personal	Relative Code (father / spouse)	
Greetings required		Occupancy (home owner, tenant etc.)	Customer evaluation required		
CIS Organization code		Segment Code	CIBIL Reference made		

Date _____

SIGNATURE OF THE APPRAISING OFFICER

AFFIDAVIT (to be notarized)

We, (1) (student's name s/o or d/o father's name) (2) (co-applicant's name s/o or d/o father's name) resident of (residential address) do hereby solemnly affirm and declare as under :

That we are citizens of India.

- 1) That we are bonafide residents of (residential address)
- 2) That neither we nor any member of our family has applied for/ availed any type of Education Loan for any member of the family from any Bank/ Financial Institution.
- 3) That we have applied for an education loan from _____
(Name of Bank) for _____ (name of student) for _____ (name of course and duration) from _____ (name of university)
- 4) That this is a true statement.

Deponent 1 (student)

Deponent 2 (co-applicant)

Verification:

Verified at _____ (Name of Place) on _____ that the contents of above affidavit are true and correct to the best of our knowledge and belief.

Deponent 1 (student)

Deponent 2 (co-applicant)

STATEMENT OF ASSETS & LIABILITIES (BORROWER/CO-BORROWER)

NAME D.O.B. Qualification: Residence Address			PAN NO.			
		Age on date	years		months	
			Office : Address			
	Tel. #		Tel. #			
	Mobile #		e-mail add.			

Details of the family members

SL. NO.	NAME	AGE IN YEARS	RELATIONSHIP
1			
2			
3			
4			

Details of Assets & Liabilities

a)	Immovable property Address	Title Deed In the name of	Leased / Freehold & Mkt. Value
i.			
ii.			
iii.			

TOTAL IMMOVABLE ASSET

b) Movable Property

Amount

1	Cash	
2	Marketable investment(cost price)	
3	Provident fund/GPF/PPF etc.	
4	Gold and Jewellery	
5	Life Policies (Surrender value)Nos.	
6	Cash at Bank	A/C No.& BANK
7	Any Other Asset (Give Details)	

TOTAL MOVABLE ASSETS

TOTAL ASSETS

LESS (-) LIABILITIES

BORROWINGS

LOAN

	SOURCE	SECURITY	EMI /MONTH	LOAN AMOUNT(Rs)
1	Housing loan			
2	Existing Car loan			
3	Personal Loan & others (pl.specify)			

TOTAL LIABILITIES

NETWORTH _____ LACS(Asset-Liabilities)

The immovable properties are the self acquired/ancestral properties of the party, stand in his name and are unencumbered.

Signature of Borrower/Co-Borrower

Place

Date

STATEMENT OF ASSETS & LIABILITIES (GUARANTOR)

NAME			PAN NO.		
D.O.B.	Age on date		years		months
Qualification:					
Residence Address			Office : Address		
	Tel. #		Tel. #		
	Mobile #		e-mail add.		

Details of the family members

SL. NO.	NAME	AGE IN YEARS	RELATIONSHIP
1			
2			
3			
4			

Details of Assets & Liabilities

a)	Immovable property Address	Title Deed In the name of	Leased / Freehold & Mkt. Value
i.			
ii.			
iii.			

TOTAL IMMOVABLE ASSET

b) Movable Property	Amount
1 Cash	
2 Marketable investment(cost price)	
3 Provident fund/GPF/PPF etc.	
4 Gold and Jewellery	
5 Life Policies (Surrender value) Nos.	
6 Cash at Bank A/C No.& BANK	
7 Any Other Asset (Give Details)	

TOTAL MOVABLE ASSETS

TOTAL ASSETS

LESS (-) LIABILITIES

BORROWINGS			LOAN AMOUNT(Rs)
	SOURCE	SECURITY	EMI /MONTH
1	Housing loan		
2	Existing Car loan		
3	Personal Loan & others (pl. specify)		

TOTAL LIABILITIES

NETWORTH _____ LACS(Asset-Liabilities)

The immovable properties are the self acquired/ancestral properties of the party, stand in his name and are unencumbered.

Signature of Guarantor

Place

Date

Acknowledgement Receipt

(To be prepared in duplicate, a copy of this to be retained with application form)

Received Education Loan application from Shri/Miss _____ Son
of / Daughter of _____ Address: _____
_____ for
loan amount of Rs. _____ for _____ (course name) without the following
documents which are ticked /indicated below.

These documents should be submitted within 14 days from the receipt of application to the
Bank _____ Branch _____ for further processing.

1. Two passport size photographs of borrower /Co-Borrower/Guarantor.
2. Proof of residence: Electricity Bill/Latest Municipal Rent Receipt /Employer's Certificate/ etc.
3. Proof of identification: Electoral ID Card, Passport/Driving Licence/PAN Card.
4. Photo copy of PAN Card of the student and the parent/guardian
5. Photo copy of Bank passbook (Joint account in the name of Student and Co-Borrower (guardian))
6. Statement of assets and liabilities of borrower/co-borrower/Guarantor.
7. Statement of bank account for the last six months of the Co-Borrower.
8. Mark sheet & Certificate of Class X, XII, Graduation & last qualifying examination of the student.
9. Proof of admission to the course.
10. Copies of letter confirming scholarship etc, if applicable.
11. Prospectus/documents evidencing course commencement and duration.
12. Schedule of expenses for the course.
13. Evidence showing admission secured to professional/technical courses through Entrance Test/Selection process.
14. Copy of Ranking of the Institution/University in case of study abroad.
15. Letter of justification for any gap in studies.
16. Photocopy of passport & visa in case of study abroad.
17. For salaried person: Employment details for last 2yr/Latest Salary slip showing all deduction & latest TDS certificate (Form 16)
18. For self-employment/professionals & businessmen: IT return for 2 yrs duly acknowledged by the ITO, if assessed.
19. Income Certificate of the parent issued by Circle Officer to ascertain the eligibility of the student for getting the benefit of interest subsidy wherever eligible.
20. _____
21. _____
22. _____
23. _____
24. _____

The loan application will be considered subject to fulfilment of eligibility criteria & submission of required documents to the Bank within stipulated time.

Signature of the applicant

Date :

Signature of the Receiving Officer

For Bank : _____

Date of Receipt of application: _____

Place: _____