

VIDYA TURANT - REVISED SCHEME GUIDELINES

1. **Eligibility:**

Student should be an Indian National.

Students should have cleared the previous qualifying exam and selected through Entrance Test conducted by Competent Authorities.

2. **Purpose:**

To assist the needy and meritorious students who are in need of education loans who are pursuing their higher studies in reputed institutions viz., 99 Select IIMs/IITs/NITs/IISc /ISB (Hyderabad & Mohali) and other reputed institutes only.

3. **Nature of Facility:** Education Loan

4. **Quantum of Finance:** (as per Annexure-II)

Category	Institutions	Max. Limit eligible
A	Students of ISB, Hyderabad & Mohali (2 nos)	Limit up to Rs 40.00 lacs.
B	Students of IIMs (15 nos.)	Limit up to Rs 25.00 lacs.
C	All other institutions other than A and B (82 nos)	Limit up to Rs 20.00 lacs.

5. **Expenses considered for loan :**

- Fee payable to college/ school/ hostel.
- Examination/ Library/ Laboratory fee
- Travel expenses/ passage money for studies abroad
- Insurance premium for student borrower, if applicable
- Caution deposit, Building fund/refundable deposit supported by Institution bills/receipts.
- Purchase of books/ equipments/ instruments/ uniforms
- Purchase of computer at reasonable cost, if required for completion of the course
- Any other expense required to complete the course - like study tours, project work, thesis, etc
- Reasonable lodging and boarding charges will be considered in case the student chooses / is required to opt for outside accommodation.

6. **Margin:** NIL

Scholarship/ assistantship if any to be included in margin.

7. **Rate of Interest:** One year ongoing MCLR *

(No further concession of 0.50% to Girl Students, and for prompt servicing of interest is available as applicable for regular Education loan Scheme.).

*Refer Para 8 of Security for further clarifications MCLR for July 2019 = 8.80%.

8. **Security:**

- Assignment of future income of the student
- No Security up to specified limits for institutions (i.e. For students of IIMs Limits up to Rs 25.00 lacs, For students of ISB, Limits up to Rs 40.00 lacs and for students of all other institutions Limits up to Rs 20.00 lacs

Note : Loans beyond the limits mentioned above are to be sanctioned under IBA's Model Education Loan scheme duly adhering to the security and other applicable guidelines.

CO-BORROWERSHIP:

Co-borrowership of the Parent/Guardian is to be obtained in all cases. However, if student is a Major and studying in,

a) IIMs, ISBs & Management institutes (as per Annexure-III A), then the following are applicable,

- Joint borrowership can be waived and loan can be disbursed based on execution of loan documents by student alone, if availing the loan at designated branch, subject to 0.50% additional Rol. If the student is offering co-borrowership, then Rol @ MCLR is to be charged.
- Mandatory life insurance cover of the student borrower under Vidya Suraksha Yojana (stipulated vide our Circular 231/2013 dated 20.05.2013 and 38/2014 dated 18.01.2014). As per the request of the borrower, the insurance premium can be included in the education loan project cost.
- Branch to mandatorily obtain the full particulars including the Asset and Liabilities (Net worth) of the Parent/Guardian in the Education loan application along with KYC & residential proof.
- However Additional rate of interest need not be charged, if the student is willing to offer co-borrowership of the Parent/Guardian. A time period of 3 months is permitted from the date of first disbursement to execute the Joint borrower agreement. Loan can be disbursed based on execution of loan documents by student subject to availing the loans at designated branch
- The letter of Undertaking cum confirmation from student borrower and link letter from Joint borrower as per Annexure-IV & Annexure V respectively to be obtained from borrowers mandatorily.

b) Other than IIMs, ISBs & Management institutes (as per Annexure-III B), then the following are applicable,

- Permitted 3 months time from the date of first disbursement to execute the Joint borrower agreement. Loan can be disbursed based on execution of loan documents by student subject to availing the loans at designated branch
- The letter of Undertaking cum confirmation from student borrower and link letter from Joint borrower as per Annexure-IV & Annexure V respectively to be obtained from borrowers mandatorily.

9. **Repayment:** up to 15 years excluding Moratorium period, irrespective of loan amount:

- Uniform one year moratorium period is available for repayment after completion of studies in all cases. i.e. Repayment holiday consists of Course period + (1 year after completion of course).
- Repayment of the loan is to be in equated monthly installments for a period of 15 years for all loans irrespective of loan amount

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

10. **Upfront / Processing Fee:** NIL

11. Loans to be sanctioned at Branch level itself without referring to RAH/CO, irrespective of delegation of powers of branch where loan application is submitted

12. **Eligibility under CSIS scheme:** All Education loans sanctioned under Vidya Turant can be covered under CSIS scheme (Central Scheme of Interest Subsidy on Educational Loans), subject to eligibility, as per income & other norms

13. All other guidelines regarding repayment etc. would be as per IBA's Model Education Loan scheme are applicable.