

Education loan for Studies in Premier Institutions (Non-vocational courses)



Education loan is extended as a term loan granted to students who have secured admission for higher studies in premier institutions in India enlisted in the approved list of the Bank.

Features

Eligible Candidate

- ▶ Granted to Students for studying in premier educational institutes like IIMs & ISB (Full time executive and regular programs only), IITs (full time engineering and management courses only) and, Top Medical Institutes, Indian Institute of Foreign Trade (IIFT), Top Management Colleges – enlisted in Bank's approved list of Premier institutions
- ▶ Loan for any other premier education institutions offering full time regular professional and technical courses may be considered as per Bank's discretion.

Quantum of Finance

- ▶ Rs. 40 Lakhs or 100 % of the total cost of the program (inclusive of insurance cover) whichever is lower.

Expenses covered under Loan

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- ▶ 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/ equipments/ 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.

Security

Category of Premier Institution	Loan amount	Security Norms
Indian School of Business (ISB)- Hyderabad and Mohali Campus Following Indian Institutes of Management (IIMs) : Ahmedabad, Bangalore, Kolkata, Kozhikode, Indore and Lucknow	Upto Rs. 40 lakhs	Co-applicant is mandatory. No security provided applicant provides satisfying net worth/ means of the parent who is the co-borrower.
For Premier Institutes other than the above	Upto Rs. 25 Lakhs	Co-applicant is mandatory. No security provided applicant provides satisfying net worth/ means of the parent who is the co-borrower
	Above Rs. 25 Lakhs	Co-applicant is mandatory. Tangible collateral security, along with the assignment of future income of the student for payment of installments.

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.

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

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

Processing Charges

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

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

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, result of entrance exam
- ▶ Proof of admission secured: Offer Letter /Admission Letter from the Institution for the course.
- ▶ 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 Networth, 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