



**JHARKHAND GRAMIN BANK
HEAD OFFICE**

EDUCATION LOAN SCHEME

1. OBJECTIVES OF THE SCHEME

The Educational Loan Scheme outlined below aims at providing financial support from the banking system to meritorious students for pursuing higher education in India and abroad. The main emphasis is that a meritorious student, though poor, is provided with an opportunity to pursue education with the financial support from the banking system with affordable terms and conditions.

2. ELIGIBILITY CRITERIA:

2.1 Student eligibility:

- The student should be an Indian National
- Should have secured admission to a higher education course in recognized institutions in India or Abroad through Entrance Test/ Merit Based Selection process after completion of HSC(10 plus 2 or equivalent).

2.2 Courses eligible

a. Studies in India: (Indicative list)

- Approved courses leading to graduate/ post graduate degree and P G diplomas conducted by recognized colleges/ universities recognized by UGC/ Govt./ AICTE/ AIBMS/ ICMR etc.
- Courses like ICWA, CA, CFA etc.
- Courses conducted by IIMs, IITs, IISc, XLRI, NIFT, NID etc.
- Regular Degree/Diploma courses like Aeronautical, pilot training, shipping etc., approved by Director General of Civil Aviation/Shipping, if the course is pursued in India.
- Approved courses offered in India by reputed foreign universities.

(b) Studies abroad :-

- Graduation: For job oriented professional/ technical courses offered by reputed universities.
- Post-graduation: MCA, MBA, MS, etc.
- Courses conducted by CIMA- London, CPA in USA etc.
- Degree/diploma courses like aeronautical, pilot training, shipping etc provided these are recognized by competent regulatory bodies in India/abroad for the purpose of employment in India/abroad.

3. Expenses considered for loan :

- i. Fee payable to college/ school/ hostel*
- ii. Examination/ Library/ Laboratory fee
- iii. Travel expenses/ passage money for studies abroad
- iv. Insurance premium for student borrower, if applicable
- v. Caution deposit, Building fund/refundable deposit supported by Institution bills/receipts. **
- vi. Purchase of books/ equipments/ instruments/ uniforms***
- vii. Purchase of computer at reasonable cost, if required for completion of the course***
- viii. Any other expense required to complete the course – like study tours, project work, thesis, etc***
- ix. While computing loan required, scholarships, fee waiver etc., if any available to the student borrower may be taken into account.

4. QUANTUM OF FINANCE:

Need based finance to meet the expenses worked out as per para 4.3 above will be considered taking in to account margins as per para 6 subject to the following ceilings:

- Studies in India - Maximum up to Rs. 10 lakhs.
- Studies Abroad - Maximum up to Rs. 20 lakhs.

5. MARGIN:

Up to Rs 4 lakhs		Nil
Above Rs 4 Lakhs	Study in India	5%
	Studies Abroad	15%

- Scholarship/ assistantship to be included in margin.
- Margin may be brought-in on year-to-year basis as and when disbursements are made on a pro-rata basis.

6. **SECURITY** :

Up to Rs 4 lakhs	Parents to be joint as borrower(s). No security
Above Rs 4 lakhs and up to Rs 7.5 lakhs	Besides the parent(s) executing the documents as joint borrower(s), collateral security in the form of suitable third party guarantee will be taken.
Above Rs 7.5 lakhs	Parent(s) to be joint borrower(s) Tangible collateral security of suitable value acceptable to bank, along with the assignment of future income of the student for payment of installments.

Note:-

- The loan documents should be executed by the student and the parent/ guardian as joint-borrower.
- The security can be in the form of land/ building/ Govt. securities/ Public Sector Bonds/Units of UTI, NSC, KVP, life policy, gold, shares/mutual fund units/debentures, bank deposit in the name of student/ parent/ guardian / any other third party or any other tangible security acceptable to the bank with suitable margin.
- Wherever the land/ building are already mortgaged, the unencumbered portion can be taken as security on second charge basis provided it covers the required loan amount.

7. **RATE OF INTEREST:**

As advised by Bank from time to time. Simple interest to be charged during the study period and up to commencement of repayment.

- 0.50% concession in interest rates on Education loans to girl students.
- Penal interest to be charged as per the norms.

8. **REPAYMENT:**

Repayment holiday/Moratorium	Course period + 1 year or 6 months after getting job, whichever is earlier
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- The accrued interest during the repayment holiday period to be added to the principal and repayment in Equated Monthly Installments (EMI) fixed.
- 1% interest concession may be provided by the bank, if interest is serviced during the study period and subsequent moratorium period prior to commencement of repayment. Repayment of the loan will be in equated monthly installments for periods as under:

For loans up to Rs. 7.5 lakhs	- up to 10 years
For loans above Rs. 7.5 lakhs	- up to 15 years

9. **INSURANCE**

Borrower student may be advised to obtain a term insurance policy equal to the loan exposure and shall be assigned in favor of Bank. Where the borrowers do not want to take the insurance cover they should ask for waiver in writing.

10. **INTEREST SUBVENTION:**

100% interest subvention facility is available to students belonging to Economically Weaker section (gross parental income from all sources up to Rs 4.50 lakh) for moratorium period only on the basis of Income Certificate issued by Civil SDO for relevant financial year.