

Central Interest Subsidy Scheme on Education Loan

1.Objective of Scheme:

Ministry of HRD (MoHRD), Government of India (GoI), has formulated the Central Interest Subsidy Scheme with an objective to provide full interest subsidy for the period of moratorium on Education Loan to the students from Economically Weaker Section (EWS) with a total parental income upper limit of Rs. 4.50 lacs p.a. for pursuing approved technical/professional courses in India after class XII. The MoHRD has appointed Canara Bank as Nodal Bank for the scheme.

2. Features of the Scheme:

Sr. No.	Features	Details
1	Target clientele	<ul style="list-style-type: none">• Students from Economically Weaker Sections (EWS) with a parental upper income limit of Rs. 4.50 lacs per annum• Admitted to approved technical/professional courses in India after class XII.
2.	Eligibility	<ul style="list-style-type: none">• Students from Economically Weaker Sections (EWS) with a parental upper income limit of Rs. 4.50 lacs per annum. As per scheme, the income documents of parents will be certified by designated authority/ authorities appointed by District Level Consultative Committee (DLCC) at the district / sub - district / Block etc. level. The Branches / RACs have to contact their respective DLCC to obtain the list of such delegated authorities.• Admission to approved technical/professional courses in India after class XII in India in Educational Institutions established by Acts of Parliament, other institutions recognized by the concerned statutory bodies, Indian Institutes of Management (IIMs) and other institutions set up by the Central Government.• This scheme shall be applicable in respect of disbursements made on or after 01st April 2009 and for the academic year 2009-10, irrespective of date of

		sanction. In case of loans sanctioned prior to 1.4.2009 and for the courses beginning prior to the academic year 2009-10, the interest subsidy is available only to the extent of disbursements made after 1.4.2009.
3.	Extent of assistance	Full interest accrued during Moratorium period
4.	Upfront/Processing fee	Upfront / Processing fee is as par the IDBI Bank's existing Education Loan Policy
5.	Interest Rate	As per the existing interest rates of Education Loan scheme of IDBI Bank.
6.	Security	As per the existing norms of Education Loan policy of IDBI Bank.
7.	Other terms and conditions	<ul style="list-style-type: none"> • Under the scheme, full interest subsidy is to be provided by the Government of India during the period of moratorium (i.e. course period plus one year or six months after getting job, whichever is earlier). After the period of moratorium is over, the interest on the outstanding loan amount shall be paid by the student, in accordance with the provisions of existing education loan scheme of IBA and as may be amended from time to time. • The interest subsidy under the scheme shall be available to the eligible students only once, either for the first under graduate degree course or the post graduates degrees/diplomas. Interest subsidy shall, however be admissible for combined undergraduate and post graduate courses. • Interest subsidy under this scheme shall not be available for those students who either discontinue the course midstream, or for those who are expelled from the institutions on disciplinary or academic grounds. However, the interest subsidy will be available for the actual period of study, only if the discontinuation was due to medical grounds for which necessary documentation to the satisfaction of the head of educational institutions will have to be given.

		<ul style="list-style-type: none">• Banks charge interest on monthly basis to eligible education loan accounts (as per RBI norms)• The interest subsidy scheme is independent of any other schemes, which may cater to EWS.• The scheme shall be applicable from the academic year 2009-10 starting 1st April 2009 i.e. with retrospective effect.
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- *For further clarification please visit your nearest branch / Retail Asset Centre of IDBI Bank.*
- *Presently the facility would be available only in four states viz. **Kerala, Maharashtra, Tamil Nadu and Andhra Pradesh** as we are yet to receive the list of designated authority/ authorities for remaining states.*
- *For details please refer to website of Ministry of Human Resource Development(MoHRD) www.education.nic.in*