

## SBI STUDENT LOAN

### PURPOSE

To extend financial assistance to deserving/meritorious students for pursuing higher education in India and abroad

### ELIGIBLE COURSES - STUDIES IN INDIA

- Graduation courses: B.A., B.Com., B.Sc. etc.
- Post graduation courses: Masters and Ph.D.
- Professional courses: Engineering, Medical, Agriculture, Veterinary, Law, Dental, Management, 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, NEFT, etc.
- Other courses leading to diploma, degree etc. conducted by colleges, universities approved by UGC/Government/AICTE/AIBMS/ICMR etc.
- Courses offered by National Institutes and other reputed private institutions.
- Regular Degree/Diploma courses like Aeronautical, Shipping, Pilot training etc., approved by Director General of Civil Aviation/Shipping. (if the course is pursued abroad, the Institute should be recognized by the competent local aviation/shipping authority)
- Courses approved by LHO from their area of operation depending on future prospects/recognition of institute
- Vocational Training and skill development courses are not covered under this scheme. A separate scheme 'SBI Loan Scheme for Vocational Education & Training' has been launched by Bank. (refer Script No: 1042)

### ELIGIBLE COURSES - STUDIES ABROAD

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

## **STUDENT ELIGIBILITY**

- Should be an Indian National.
- Secured admission to a higher education course in recognized institutions in India through Entrance Test/ Merit Based Selection process after completion of HSC (10 plus 2 or equivalent)
- Secured admission to foreign university/institutions\*\*
- In cases, where there is no Entrance Test/ Merit based selection procedure, securing admission to a higher education course in a recognized institute may be considered.
- Students who have appeared in any Entrance Test, secured passing marks but could not get admission due to lower ranking and who opt to pursue the course under Management Quota in the same Institution or another Institution for reasons of convenience (proximity) or choice of course, will be eligible for sanction of Education Loans. For courses under Management Quota seats considered under the scheme, fees as approved by the State Government/ Government approved regulatory body for payment seats will be taken.

\* Students who are required to deposit part of the admission fee on the day they go for counseling and

\*\*students who are to deposit part of the fee before admission is formally granted may also apply (subject to conditions)

## **ELIGIBLE EXPENSES**

- Fee payable to college/school/hostel.
- Examination/Library/Laboratory fee.
- Travel expenses/passage money for studies abroad.
- Purchase of books/equipments/instruments/uniforms/ computer at reasonable cost, if required for course completion and any other expense required to complete the course– like study tours, project work, thesis, etc. can be considered for loan subject to the condition that these should be capped at 20% of the total tuition fees payable for completion of the course.
- 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.
- Cost of a two-wheeler upto Rs. 50,000 can be included in the expenses

considered eligible for finance where the loan amount is secured by a suitable third party guarantee and/or tangible collateral security. Two-wheeler can be necessary in some cases where hostel and college are far apart.

- Premium of 'RiNn Rakhsha' (IRDA License No: UIN: 111N078V01): Finance for 'RiNn Rakhsha' will improve insurance-coverage of the loan.

\*Subject to certain conditions

## **QUANTUM OF FINANCE**

For studies in India: Maximum Rs. 10 lacs

For studies Abroad: Maximum Rs. 30 lacs

## **MARGIN**

- Up to Rs 4 lacs: NIL
- Above Rs 4 lacs: Studies in India: 5% , Studies abroad: 15%
- Scholarship/assistantship to be included in margin.
- Margin to be brought in on year-on-year basis as and when disbursements are made on a pro-rata basis.
- Students applying for above Rs 4 lacs for study abroad to deposit Rs 5000/- by Bankers' Cheque, which will be adjusted later towards margin/interest or commission a/c if loan not availed.

## **RATE OF INTEREST**

- For loans upto Rs.4 lacs –350 bps above BASE RATE
- Above Rs.4 lacs and upto Rs.7.50 lacs– 375 bps above BASE RATE
- Above Rs.7.50 lacs – 175 bps above BASE RATE
  - 50 bps concession in interest for girl student
  - 1% concession in rate of interest if full interest is paid during moratorium period
- Simple interest is charged during study period and moratorium period

## SECURITY

**Upto Rs. 4 lacs:** No security. Co-obligation of parents

**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.

The sanctioning authority will replace Third Party Guarantee with Parent/ Guardian as co-borrower provided the Gross Annual income of Parent/ Guardian (co-borrower) as verified by the latest Income Tax Return is 3 times the loan amount.

**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

**NOTE :**

The co-obligator should be parent(s)/guardian of the student borrower. In case of married person, co-obligator can be either spouse or the parent(s)/parents-in-law.

**PROCESSING FEE:** NIL

### REPAYMENT AND REPAYMENT HOLIDAY (MORATORIUM)

- Accrued interest during the moratorium to be added to the principal and repayment in EMI fixed.
- Repayment will commence one year after completion of course or 6 months after securing a job, whichever is earlier.

<b>Maximum Loan Limit</b>	<b>Repayment Period</b>
Upto Rs. 4 Lacs	Upto 10 years
Above Rs. 4 Lacs and upto Rs. 7.5 Lacs	Upto 10 years
Above Rs. 7.5 Lacs	Upto 12 years