EDUCATIONAL LOAN SCHEME (ELS) FOR RRBs/PSBs UNDER REFINANCE

(i) **PURPOSE OF LOAN**

NSFDC provides refinance to PSBs/RRBs(Banks) under Educational Loan Scheme for the student for pursuing full-time Professional/Technical courses in recognized Institutions after availing full disbursement of loan from the Banks. The limit of refinance will be up to Rs.10.00 lakh (for studies in India) and up to Rs.20.00 lakh (for studies abroad) per candidates.

(ii) **ELIGIBILITY**

Student should be from Scheduled Castes community having annual family income up to Rs.3.00 lakh.

(ii) **INDICATIVE HEADS OF LOAN**

The Educational Loan shall cover Admission Fee, Tuition Fee, Books, Stationery, Equipments, Examination Fee, Hostel & Mess Expenses, Insurance Premium for Policy for insuring loanees against loan in case of death or permanent disability, Travel Expenses/Passage Money including Visa Expenses for studying abroad, Caution Money and Development Fund. *Further, the Clothing Allowance including weather protective clothing in extreme climate (in case of foreign study), 1% contingencies (@ total course cost) to meet un-foreseen expenses, Ph.D. Thesis printing charges and other charges related to submission of thesis, campus conveyance (including bus & railway fare) will also be covered. Further any other item required for the course may also be considered based on college certification.*[1]

(iii) **PROFESSIONAL/TECHNICAL COURSES COVERED**

Educational Loan shall be provided for pursuing full-time Professional/Technical courses in the fields of Engineering, Medical, Dental, Management, Information Technology, Hotel Management, CA/ICWA/CS/AMIE/FIA/IETE and any other course certified as a Professional/Technical course by the authorizing/ recognizing body appointed by the appropriate Government.

(iv) **QUANTUM OF ASSISTANCE**

NSFDC provides 100% refinance to PSBs/RRBs on loan outstanding amount up to Rs.10.00 lakh (for studies in India) and up to Rs.20.00 lakh (for studies abroad).

(v) **INTEREST RATES**

The rate of interest under the scheme shall be as under :

Particulars	*Interest Rates per annum*	
	Men	*Women*
NSFDC's Rate	*1.5%*	*1.00%*

Interest Spread allowed to Banks	*2.5%*	*2.5%*
Total charged from beneficiaries	*4%*	*3.5%*[2]

(vi) PROCEDURE FOR SUBMITTING REFINANCE CLAIM

The Bank(s) shall send the state wise details in the prescribed format for cases eligible for lending under the NSFDC schemes. NSFDC shall appraise the proposals as per its lending policy revised from time to time. NSFDC may disburse the funds to the bank(s) for the sanctioned proposals. In order to become eligible for re-finance, the bank(s) shall follow procedure given below:

i) **The refinance would be allowed to the banks retrospectively for cases financed by them with effect from introduction of NSFDC's ELS scheme i.e.01.12.2009.**

ii) Bank(s) shall select the applicants as per the eligibility criteria of NSFDC.

iii) Selection/rejection of the loan applications shall be communicated to the applicants.

iv) Bank(s) shall submit state wise consolidated details of the cases financed under ELS scheme of the bank in the prescribed format **(Annexure-I).**

v) NSFDC shall appraise the proposals, issue Letter of Intent (LOI) for approved proposals and disburse funds to the Bank(s) on completion of pre-requisite formalities for disbursement of funds given at para 10 of NSFDC's Lending Policy for PSBs/RRBs.

vi) The Bank(s) shall switch-over the individual loan accounts of the beneficiaries under NSFDC schemes within 30 days from the date of disbursement by NSFDC. The Bank shall inform the same to NSFDC in the prescribed format **(Annexure-II).** The amount re-financed by NSFDC shall be treated as funds utilized on receipt of utilisation certificate as per annexure II.

vii) Switch-over of the individual loan accounts shall be communicated to the beneficiaries on receipt of funds from NSFDC.

viii) The Bank shall recover the instalments from the beneficiaries as per repayment schedule stipulated by bank.

ix) There shall be no sanction limit and the eligible refinance in each claim will be sanctioned irrespective of the quantum of amount.

x) The minimum amount of refinance shall be outstanding amount of Rs.25000/- or more per case.

REPAYMENT PERIOD

Loan under Educational Loan Scheme is to be repaid in quarterly instalments within a maximum period of 15 years including study period. The moratorium period will be considered as six months after disbursement of loan to bank. However, the currency of loan shall not exceed 15 years from the date of disbursement.

The repayment period under the Educational Loan Scheme is as under:

Amount of Loan	***Maximum Repayment Period including Moratorium Period***
For Loan up to Rs.7.50 lakh	*Up to 10 years*
For Loan above Rs.7.50 lakh	*Up to 15 years*

Annexure-II

Refinance Claim Format under NSFDC's Educational Loan Scheme
Name of the Bank:

Amount in Rs.

S. No.	Name of State	Gender	Beneficiary Details				Total Amount
			Rural		Urban		
			No.	Amount	No.	Amount	
1.		Male					
		Female					

This is to certify that all the beneficiaries covered under refinance claim are eligible as per NSFDC's eligibility criteria (i.e. belongs to Scheduled Castes community and their family income below Double the Proverty Line (DPL) limit) and required documents are held on record with bank.

(Signature)
Authorized Signatory
Name & Designation

Place:
Date:

Annexure-II

CERTIFICATE OF SWITCH OVER OF LOAN UNDER NSFDC REFINANCED SCHEMES

This is to certify that the Rate of Interest for all the loan accounts have been switched over from Bank's rate to NSDFC rate for the funds of Rs. ……… received from NSFDC under Educational Loan Scheme (NSFDC LOI No. NSFDC/BD/……… dated ……..) for … nos beneficiaries.

(Signature)
Authorized Signatory
Name & Designation

Place:
Date:

NSFDC/BD/ELS -RF/ **Date;**

The General Manager,
Vijaya Bank,
Bengaluru

LETTER OF INTENT

Subject: Sanction of Refinance amount of Rs.------ to Vijaya Bank, under Educational Loan Scheme for -----no. of candidates.

Sir,

This has reference to your letter No ______dated______ requesting for refinancing of funds under Educational Loan Scheme (ELS). In this connection, it is to inform that the request of Vijaya Bank has been considered by the National Scheduled Castes Finance and Development Corporation (hereinafter referred to as NSFDC) and is agreeable, in principle, to grant refinance of Rs.________ (Rupees _______ only) for ______ candidates under ELS. The state wise details of refinance approved are at Annexure- I.

2. The refinance shall be subject to the terms & conditions set out in Appendix to this letter, which forms integral part of the Letter of Intent in addition to the normal terms & conditions stipulated in the Memorandum of Agreement (MOA) executed between Vijaya Bank and NSFDC.

3. In case all the terms and conditions contained in the Appendix are acceptable to Vijaya Bank, in addition to the terms and conditions of MOA already accepted by Vijaya Bank, the duplicate copy of this letter along with Appendix may please be signed & stamped by an authorized signatory of Vijaya Bank and returned to NSFDC within 15 days from the date of this letter in token of acceptance.

4. Further, please note that this communication should not be construed as giving rise to any binding obligation on the part of NSFDC unless Vijaya Bank communicate its acceptance in the manner mentioned above.

Thanking you,

Yours sincerely,

(DEVANAND)
GENERAL MANAGER

Encl: As above.

No. NSFDC/BD/ELS-RF/ **APPENDIX**

TERMS AND CONDITIONS FOR SANCTION OF EDUCATION LOAN ASSISTANCE OF RS.---- (------BENEFICIRIES,----MALE & -----FEMALE) TO VIJAYA BANK UNDER REFINANCE

PART-A

PROJECT DETAILS

1.	**AMOUNT OF LOAN**	:	
2	**PURPOSE OF LOAN**	:	For ELS (-Male & -Female)
3.	**INTEREST/REPAYMENT**	**:**	
	i)	Male:-1.50% p.a. chargeable to Bank and it may charge 4.00 % p.a. from the beneficiary. Female:- 1.00% p.a. chargeable to Bank and it may charge 3.50 % p.a. from the beneficiary..	
	ii)	The entire loan shall be repaid in 20 Quarterly Installments i.e., payable on 31st March, 30th June, 30th Sept. and 31st December every year.	
	iii)	The repayment would start after a moratorium of 6 months from the date of disbursement.	
	iv)	The interest will be charged from the date of disbursement.	

STANDARD CONDITIONS FOR REFINANCE

1. DISBURSEMENT OF FUNDS

Funds for the sanctioned projects/schemes shall be disbursed by NSFDC subject to fulfilment of the following conditions:

a) Requisition by the CA(s) for disbursement of funds.
b) Submission of Accepted Copy of Letter of Intent (LOI), duly signed and stamped by an authorized signatory of the CA(s) on all the pages as token of acceptance of all terms and conditions stipulated in the LOI.

2. RIGHT TO RECALL THE LOAN

If at any time, in the opinion of NSFDC, CA(s) has failed to observe or fulfil any of the terms and conditions stipulated in the Agreement on the occurrence of any event or circumstances which, in the opinion of NSFDC would or is likely to prejudicially or adversely affect in any manner the capacity of CA(s) to repay the amount of the said assistance and interest thereon, in the manner aforesaid notwithstanding any provisions contained herein in connection with the time/period of the repayment of the amount of the said assistance and interest, CA(s) shall be liable to repay to NSFDC in one lump-sum the outstanding principal of the said assistance and interest thereon and NSFDC shall be entitled to recall the entire outstanding amount of principal and interest from CA(s).

3. REPAYMENT OF LOAN

NSFDC shall send quarterly/half yearly demand notice to CA(s) to facilitate prompt repayment of the amount of assistance as per the Lending Policy/repayment norms. It shall be the responsibility of CA(s) to ensure repayment of the amount of assistance and payment of interest due by the due dates. Non-receipt of a demand notice from NSFDC shall not be a reason for non-payment of the amount of assistance and interest thereon in the manner aforesaid by the due date.

4. DEFAULT IN REPAYMENT

The CA(s) shall agree that notwithstanding anything stipulated in the signed Agreement, NSFDC shall have the right by notice in writing to require CA(s) forthwith to discharge in full or in part its liabilities to NSFDC in respect of any of the said financial assistance provided by the NSFDC whether due or not upon the happening of any of the following events viz:

a) CA(s) has committed any default in making any payment or repayment in accordance with the Agreement.
b) CA(s) has committed any breach or default in the performance or observance of the Agreement and/or CA(s)'s application and/or the provisions of financing schemes of NSFDC and or any instructions issued by the NSFDC from time to time.
c) CA(s)'s application or any enclosure thereto contained any false or untrue statement or information or the same turned out to be wrong or untrue as a result of supervening circumstances or even otherwise. On this question whether any of the above events has happened, the decision of the NSFDC shall be final, conclusive and binding on the CA(s).
d) If there is reasonable apprehension that CA(s) is unable to repay its debts or proceedings for taking it into liquidation may be commenced in respect thereof.
e) CA(s) shall be liable to pay NSFDC all costs, legal charges and other expenses, whatsoever NSFDC may incur in the realization of the amount of the said assistance from CA(s).

5. LIQUIDITY DAMAGES ON DEFAULTED PAYMENTS (LDDP)

Defaults in the repayment of NSFDC dues (principal as well as interest) beyond the stipulated/agreed dates of repayment shall attract further interest @ 2% per annum over and above normal rate of interest applicable on the dues as per the Lending Policy of the NSFDC. It shall be levied on cash basis quarterly through a separate demand.

6. APPROPRIATION OF REPAYMENTS

CA(s) shall remain always liable as a principal debtor to the NSFDC for the due repayment of any financial assistance granted by the NSFDC in respect of the said financial assistance. CA(s) shall agree that in case it fails to repay on the due date(s), the instalment of principal and/or interest (without rebate) shall be compounded as per schedule of payment/repayment and NSFDC shall be entitled to appropriate the repayment received from the CA(s), first towards the interest and then towards the principal amounts outstanding for the longest period, without any prior intimation to the CA(s).

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Revised Educational Loan Scheme (ELS) (w.e.f. 22.07.2024)

(i) Purpose of Education Loan

The Educational Loan shall cover Admission Fee, Tuition Fee, Books, Stationery, Equipments, Examination Fee, Hostel & Mess Expenses, Insurance Premium for Policy for insuring loanees against loan in case of death or permanent disability, Travel Expenses/Passage Money including Visa Expenses for studying abroad, Caution Money, Development Fund, Clothing Allowance including weather protective clothing in extreme climate (in case of foreign study), for full time professional/technical courses in India and Abroad.

(ii) Eligibility

The applicants must belong to Scheduled Castes and their annual family income must be up to Rs.3 lakh.

(iii) Loan Amount

Up to Rs.30.00 lakh (for studies in India) and upto Rs.40.00 lakh (for studies abroad) or 90% of course fee, whichever is less for pursuing full-time Professional/Technical courses in recognized Institutions as one time assistance.

(iv) Interest Rates

- **For studies in India**- NSFDC shall charge interest @ 2% per annum from the SCAs/CAs, which in turn, shall charge 6% per annum from the male beneficiaries. In case of women beneficiaries, the NSFDC shall charge 1.5% per annum from the SCAs/CAs, which in turn, shall charge 5.5% per annum from ultimate beneficiaries.

- **For studies abroad**- NSFDC shall charge interest @ 3% per annum from the SCAs/CAs, which in turn, shall charge 7% per annum from the male beneficiaries. In case of women beneficiaries, the NSFDC shall charge 2.5% per annum from the SCAs/CAs, which in turn, shall charge 6.5% p.a. per annum from ultimate beneficiaries.

(v) Repayment Period

The maximum repayment period under the Educational Loan Scheme is as under:-

Particulars	Maximum Repayment Period including Study Period
Where repayment has not started	Upto 12 years
Where loan disbursed and repayment started	Upto 10 years

(vi) Moratorium Period

Amount of Loan	Maximum Moratorium Period including Study Period
Where repayment has not started	Course period plus 01 year
Where loan disbursed and repayment started	Upto 6 months

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