

EDUCATION LOAN: CENTRAL SCHEME TO PROVIDE INTEREST SUBSIDY (CSIS)

Introduction.

1. Indian Banks' Association (IBA) has formulated a comprehensive model educational loan scheme for adoption by all banks aimed at providing financial support from the banking system to deserving/meritorious students for pursuing higher education in India/abroad.

Objective.

2. The Govt has approved a scheme to provide full interest subsidy during the period of moratorium i.e course period plus one year or six months after getting job whatever is earlier, on loans taken by students belonging to Economically Weaker Sections, from the scheduled banks under the educational loan scheme of IBA, for pursuing any of the approved courses in technical & professional streams, from recognised institutions in India. The nomenclature of the scheme would be 'Central Scheme to provide Interest Subsidy (CSIS) for the period of moratorium on educational loans.

Applicability.

3. The interest subsidy is restricted to students enrolled in recognised Tech/Professional courses (after class XII) in India in educational Institutions established by act of Parliament and other institutions recognised by concerned statutory bodies or set up by central/state govt.

Moratorium Period.

4. Course period plus one year or six months after getting the job, whatever is earlier.

Income Limit/Proof.

5. The benefit of the scheme would be applicable to those students belonging to economically weaker sections with an annual gross parents/family income upper limit of Rs 4.5 Lakh per year from all sources. Income proof shall be required from the students from such public authorities authorised by the state govt.

Eligibility for Interest Subsidy.

6. The interest subsidy under the scheme shall be available to the eligible students only once, either for the first undergraduate degree course or the post graduate degree/diploma in India.

Awards/Certificate.

7. There would be a tag/marker on the degree of the students indicating his/her repayment liability. Tag will enable the employer to identify loanees.

Similar Schemes.

8. The National Minorities Development & Finance Corporation (NMDFC) has an educational loan scheme for individual beneficiaries which is implemented through state channelising agencies. Interest on loan under these schemes shall also be subsidised for the period of moratorium as per terms & condition of this scheme.

Nodal Bank.

9. The scheme shall be implemented through CANARA Bank, which is the Nodal Bank.

List of Tech/Professional Courses.

10. The list of courses for which the scheme is applicable, is brought out by the Ministry of HRD. UGC/AICTE also display the names of courses & Institutions in their website.