

## CURRENT NOTIFICATION FOR STUDENT LOAN FROM GOVT. OF INDIA

The Scheme aims at providing financial assistance to deserving / meritorious students (Indian Nationals) for pursuing higher professional and technical education in India or abroad.

### Studies in India

1. Graduation courses – B.A., B.Com., B.Sc., etc.,
2. Post-Graduation courses, Masters & Ph.D;
3. Professional courses, Engineering, Medical, Agriculture, Veterinary, Law, Dental, Management, Computer etc.,
4. Computer Certificate courses of reputed Institutes accredited to Department of Electronics or institutes affiliated to University;
5. Courses like ICWA, C.A., CFA, etc.,
6. Courses conducted by IIM, IIT, IISc, XLRI, NIFT, etc.,
7. Regular Diploma/Degree courses conducted by Colleges/Universities approved by UGC/Govt./AICTE/AIBMS/ICMR,
8. 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.

In case the course is pursued abroad, the Institute should be recognised by the competent local (abroad) Aviation/Shipping authority.

9. Advance Diploma in Banking Technology offered by PNBIIIT, Lucknow.
10. Courses offered in India by reputed foreign universities.
11. Other courses leading to Diploma/Degree etc. conducted by colleges/universities approved by UGC/Govt./AITCE/AIBMS/ICMR etc.
12. Courses offered by National Institutes and other reputed Private Institutes.
13. Diploma courses, Diploma Leading to Degree Courses local as well as abroad and courses offered by recognised universities of repute through distance learning etc.

### STUDIES ABROAD

1. Graduation- for job oriented professional/technical courses offered by reputed universities abroad.
2. Post Graduation courses- MCA, MBA, MS, etc. offered by reputed universities abroad.
3. Courses conducted by CIMA- London, CPA in USA etc.

Students should approach the branch nearest to the place of residence of their parents.

Interest is charged monthly on simple basis during the repayment holiday/moratorium period & concession of 1% in rate of interest is allowed provided the same is serviced regularly during study period.

Punjab National Bank has tied up with Kotak Mahindra Insurance to provide life insurance cover for Student borrowers.

### Eligibility:

#### *Student eligibility*

1. Should be an Indian National.
2. Secured admission to Professional / Technical Courses in India or abroad through Entrance Test / Merit based Selection process.

### **Expenses considered for Loan**

1. Fee payable to College / School / Hostel
2. Examination / Library / Laboratory fee.
3. Purchase of books / equipments / instruments / uniforms.
4. Caution Deposit / Building Fund / Refundable Deposit supported by Institution Bills / Receipts, subject to the condition that the amount does not exceed 10% of the total tuition fee for entire course..
5. Travel Expenses / Passage money for studies abroad.
6. Purchase of computers - essential for completion of the Course.
7. Insurance premium for student borrower
8. Boarding and lodging expenses in recognised Boarding Houses / private accomodations
9. Any other expense required to complete the course - like study tours, project work, thesis etc.

### **Quantum of Finance**

Need based finance, subject to repaying capacity of the parents / students with margin and the following ceilings :-

For studies in India: Maximum Rs.10.00 lacs.

For studies abroad: Maximum Rs.20.00 lacs.

### **Margin**

Upto Rs.4.00 lacs Nil.

Above Rs.4.00 lacs Studies in India 5%

Studies Abroad 15%

### **Security**

Upto Rs.4.00 lacs: Co-Obligation of Parents. No Security

Above Rs 4.00 lacs and Upto Rs 7.5 lacs: Co-Obligation of Parents together with collateral security in the form of suitable 3rd party guarantee acceptable to the Bank.

Above Rs 7.5 lacs: Co-Obligation of Parents. Collateral Security of suitable value along with Assignment of future income of the student for payment of installments.

The security can be in the form of land / building / Govt. Securities / Public Sector Bonds / Units of UTI, NSC, KVP, LIC Policy, Gold, Shares/ Mutual Funds/ Debentures, Bank Deposit in the name of the student parent / guardian or any other third party with suitable Margin.

The document should be executed by both the student and the parent/guardian.

### **Repayment**

Repayment Holiday / Moratorium-- Course period + 1 year OR 6 months after getting job, whichever is earlier.

The Principle and interest is to be repaid in 5-7 years after commencement of repayment. If the student is not able to complete the course within the scheduled time, extension of time for completion of course may be permitted for a maximum period of 2 years.

### **Upfront Fee**

For Study in India - Nil

For Study abroad - @ 0.50% with a maximum of Rs. 5000/- (refundable on availment of the loan amount)

## **Documentation Charges**

Upto Rs. 4 lacsRs.270/- + Service Tax & Education Cess

Above Rs.4 lacsRs.450/- + Service Tax & Education Cess

Additional Benefits provided to the students by PNB

## **Rebate**

A rebate of 0.50% in rate of interest permitted to women beneficiaries for loans up to Rs. 10 lac for studies in India and Rs 20 lac for studies abroad for existing as well as new girl student borrowers wef. 08.03.2009.

A rebate of 0.50% in rate of interest permitted to students of IITs, IIMs, RECs, NITs, ITs, Government Recognized Medical Colleges, FMS Delhi, MDI Gurgaon, and XLRI Jamshedpur.

1% interest concession may be provided for loanees if the interest is serviced during the study period/moratorium period.

Second time Education Loan can be sanctioned to the same student borrower for completion of next higher course.

## **Check List**

While applying for the loan, the borrower is required to furnish the following information/papers:

- o Loan application on Bank's format.
- o Passport size photograph
- o Proof of Address(Permanent)/ ID Proof.
- o Proof of Age.
- o Proof of having secured pass marks in last qualifying examination.
- o Letter of admission in professional, technical or vocational courses.
- o Prospectus of the course wherein charges like Admission Fee, Examination Fee, Hostel Charges etc. are mentioned.
- o Details of Assets & Liabilities of parents.
- o In case loan amount is above Rs.4.00 lacs :
- o Detail of Assets & Liabilities of parents/co-obligants/ guarantors.
- o In case loan is to be collaterally secured by mortgage of IP, Copy of Title Deed, Valuation Certificate and Non Encumbrance Certificate from approved Lawyer of the Bank to be obtained at the cost of the borrower.
- o Photocopy of Passport & Visa, in case of study abroad.
- o Any other document/information, depending upon the case and purpose of the loan.

(The above CHECKLIST is only illustrative, not exhaustive. For details, please contact our nearest Branch Office).

Circle-wise list of Tie-up with Educational Institutes for sanction of educational loan by respective circles is available under Retail Tie-up