

NATIONAL SCHEDULED CASTES FINANCE & DEVELOPMENT CORPORATION
(NSFDC)

EDUCATIONAL LOAN SCHEME (ELS)

1. **PURPOSE OF LOAN**

NSFDC provides loan under Educational Loan Scheme for pursuing full-time Professional/Technical courses in recognized Institutions up to Rs.30.00 lakh (for studies in India) and up to Rs.40.00 lakh (for studies abroad) as NSFDC share. The Educational Loan is provided as one time assistance.

Educational loan can be provided to takeover of bank loan. Educational loan can also be considered for sanction during the currency of the course. However, educational loan cannot be provided for the completed course.

2. **ELIGIBILITY**

Student(s) should be from Scheduled Caste community and their annual family income should be below Double the Poverty Line (DPL) limit as revised from time to time.

3. **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, Development Fund, Clothing Allowance including weather protective clothing in extreme climate (in case of foreign study), 1% contingencies of the total course cost to meet un-foreseen expenses, Thesis Printing charges and other charges related to submission of thesis, campus conveyance (including bus & railway fare). Further any other item required for the course may also be considered based on college certification.

4. **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.

5. **PROPOSAL**

The SCAs shall forward group proposals for sanction as per the prescribed format separately for male & female students based on completion month and year of the course.

6. **QUANTUM OF ASSISTANCE**

NSFDC provides loan up to Rs.30.00 lakh (for studies in India) and up to Rs40.00 lakh (for studies abroad) or 90% of the course expenses, whichever is less, under the scheme. The balance 10% shall be borne by the applicant/SCA.

7. SANCTION AND DISBURSEMENT

Sanction of ELS proposals to the SCAs shall be subject to the fulfillment of following Prudential Norms :

- (i) Availability of adequate State Government Guarantee and
- (ii) No Overdues more than one year old

The disbursement shall be considered as per the Letter of Intent (LOI) in all the cases where sanction has been accorded.

8. INTEREST RATES

NSFDC shall charge interest @ 3% per annum from the SCAs, which in turn, shall charge 7% per annum from the beneficiaries. In case of women beneficiaries, an interest rebate of 0.5% is provided.

9. UTILIZATION

The SCA shall send Quarterly Progress Reports (QPR) on the utilization of the funds (individual student wise utilization details) as per the prescribed format.

10. REPAYMENT PERIOD

Loan under Educational Loan Scheme is to be repaid in quarterly installments within a maximum period of 12 years including study period. *The repayment would start after a moratorium period of six months from the completion of the course by NSFDC. However, SCA may start recovery after six months from completion of the course or getting employment whichever is earlier. There shall not be any moratorium on payment of interest.* However, the currency of loan shall not exceed 12 years from the date of first disbursement.

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

Amount of Loan	Maximum Repayment Period including Study Period
For Loan up to Rs.10.00 lakh	Upto 10 years
For Loan above Rs.10.00 lakh	Upto 12 years

11. INTEREST SUBSIDY

SCA shall send claim under the scheme of Interest Subsidy for the period of moratorium on educational loan for the students enrolled in recognized professional and technical courses (after class 12th) 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, to the Department of Higher Education, Ministry of Human Resource Development, Government of India.

The SCA shall arrange details of applicants to NSFDC for interest subsidy claim as per the standard formats of Ministry of Human Resource Development (MoHRD), Government of India guidelines under the Scheme. In turn, NSFDC shall forward the claims to MoHRD for payment. Upon receipt of the claim, NSFDC shall transfer the eligible amount to the SCAs after deducting its own share.

12. SCHOLARSHIP/CONCESSION/FREE-SHIP

The scheme shall bridge the gap before receipt of the scholarship/concession/free-ship by the candidates under various schemes of appropriate Bodies. The cost of the course shall be restricted on pro-rata basis, in case scholarship/concession/free-ship is granted by the State/Central Government or any other sources.

13. LOAN DURING CURRENCY OF THE COURSE

Educational loan during the currency of the course which have started after 1.12.2009 (i.e. date of start of the scheme) shall be considered based on SCAs'/CA recommendations.

14. TAKEOVER OF LOAN

NSFDC shall take over the Bank Loan for courses which have started after 01.12.2009 (i.e. from date of start of the scheme) provided all the eligibility criteria are fulfilled, No Objection Certificate, Sanction Letter copy are obtained from the Banks. In case the Banks levy any foreclosure charge(s), the same shall be borne by the candidate(s). The takeover loan proposals shall either be processed individually or in group, as need arises.

15. INTEREST ON FUNDS REFUNDED:

Higher Rate of Interest @ additional 4% p.a. over and above normal interest on fund unutilized and refunded in toto (either directly or through repayment by way of quarterly instalments) shall be applicable. Higher Rate of Interest on refund amount be levied on "Accrual Basis".
