



इण्डियन ओवरसीज़ बैंक **Indian Overseas Bank**

Retail Banking Division

केन्द्रीय कार्यालय **Central Office, 763, अण्णा सातै Anna Salai**

चेन्नई **Chennai 600002**

Information to Education Loan Borrowers

Central Sector Interest Subsidy Scheme

Central Scheme for Interest Subsidy has been announced by Ministry of HRD for providing interest on Education Loans during moratorium for technical and professional courses for studies in India under the IBA Model Education Loan Scheme for students from Economically Weaker Sections (EWS) with annual gross parental/family income upto Rs. 4.50 lacs per annum.

Eligible students may contact the IOB Branch concerned for any further details along with Income Certificate from the authorised Certifying authority.

Features & Eligibility for Interest Subsidy:

- The scheme is applicable only for studies in recognized Technical/ Professional courses in India.
- Under the Scheme, the interest payable on the Educational Loan for the moratorium period i.e., Course Period plus one year as will be borne by the Government of India.
- The benefit of the scheme would be applicable to those students belonging to economically weaker sections with an annual gross parental/family income with upper limit of Rs.4.5 lacs per annum (from all sources). This needs to be certified by an 'Income Certificate' issued by the Income Certifying Authority designated by the State Government.
- Subsidy is applicable for Loan amount up to Rs10.00 Lakhs. Higher Loan amount can be sanctioned but the eligible loan component for the purpose of interest subsidy claim is up to Rs. 10.00 Lakhs
- 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. Interest subsidy shall however, be admissible for integrated courses (graduate plus postgraduate).
- Interest subsidy under this scheme shall not be available for those students once they discontinue the course midstream, or who are expelled from the institutions on disciplinary or academic grounds.
- The scheme shall be implemented through Canara Bank, which is the Nodal Bank for the Ministry of Human Resources Development.