

## Education Loan Interest Subsidy

**Central Scheme to provide Interest Subsidy (CSIS)** for the period of moratorium of educational loans taken by students from economically weaker sections (EWS) under educational loan scheme of Indian Banks Association (IBA), to pursue Technical/ Professional education studies in India.

Government of India, Ministry of Human Resources Development, Department of Higher Education, New Delhi has launched a scheme under the name "Central Scheme to provide Interest Subsidy (CSIS)" for the moratorium period of educational loans availed by students from EWS under IBA educational loan scheme, to pursue Technical/ Professional courses in India. The scheme is effective from the academic year 2009-10.

Some of the salient features of the scheme are given below:

Objective of the Scheme	The Government of India has approved a scheme to provide <b><u>full interest subsidy during the period of moratorium i.e. Course Period plus one year or six months after getting job</u></b> , whichever is earlier, on loans taken by students belonging to Economically Weaker Sections from scheduled banks under the Educational Loan scheme of the Indian Banks' Association, for pursuing any of the approved courses of studies in technical and professional streams, from recognised institutions in India.
Applicability of the Scheme	The Scheme would be applicable <b><u>only for studies recognised Technical/Professional Courses in India</u></b> . The interest subsidy shall be linked with the existing Educational Loan Scheme of IBA and restricted to students enrolled in recognised Technical/Professional Courses ( <b><u>after Class XII</u></b> ) in India in Educational Institutions established by Acts of Parliament, other Institutions recognised by the concerned Statutory Bodies, Indian Institutes of Management (IIMS) and other institutions set up by the Central/State Government.
Interest Rates	The interest rates charged on the educational loan shall be as per the BPLR/Base Rate/MCLR Rate of the Individual Banks.
Moratorium Period	Under the scheme, the interest payable by the student belonging to EWS for availing of the Educational Loan for Technical/Professional Courses in India for the period of moratorium i.e. <b><u>Course Period plus one year or six months after getting job, whichever is earlier</u></b> . After the period of moratorium is over, the interest on the outstanding loan amount shall be paid by the student, in accordance with the provisions of the existing Educational Loan Scheme of Banks and as may be amended from time to time, whichever is earlier.
Income Limit/Proof	The benefits of the Scheme would be applicable to those students belonging to economically weaker sections(EWS), with an <b><u>annual gross parental/family income upper limit of Rs.4.50 lakhs per year (from all sources)</u></b> . The scheme is intended to cater to the needs of students belonging to EWS with prescribed upper parental gross income limit of the family from all sources, which is based on economic index and not on social background. <b><u>The scheme is independent of any other schemes which may cater to Economically Weaker Sections.</u></b>
Competent Authority	The Ministry of HRD, Government of India shall issue an Advisory to all the State Governments requesting them to designate appropriate authority or authorities who are competent to issue income certificates, based on economic index and not social background, for the purpose of this scheme.

	<b><u>The Banks shall implement the Scheme based on the notification of the certification authority by State Governments communicated through District Level Consultative Committees (DLCCs).</u></b>
Eligibility for Interest Subsidy	<p><b><u>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 degrees/diplomas in India.</u></b></p> <p>Interest Subsidy shall, however, be admissable for integrated courses (graduate+post graduate).</p> <p><b><u>Interest subsidy shall not be available for the following student borrowers,</u></b></p> <p>Those students once they discontinue the course midstream, or who are expelled from the Institutions on disciplinary or academic grounds.</p> <p>However, the interest subsidy will be available only if the discontinuation was due to medical grounds for which necessary documentation to the satisfaction of the Head of educational institution will have to be given.</p>
Nodal Bank	The Scheme shall be implemented through Canara Bank, which is the Nodal Bank for the scheme. However, the student can apply under the scheme only through branch where educational loan is availed.
Applicable Academic Year	<b><u>The Scheme shall be applicable from the academic year 2009-10 starting 1<sup>st</sup> April, 2009. The loan amount taken starting from the Academic Year 2009-10 (irrespective of the date of sanction) shall only be covered under the scheme of interest subsidy. Interest on any amount disbursed for courses starting before the academic year 2009-10 would not be considered for subsidy.</u></b>
List of Technical/ Professional courses	Students enrolled in recognised Technical/Professional Courses ( <b>after Class XII</b> ) in India in Educational Institutions established by Acts of Parliament, other Institutions recognised by UGC/AICTE and other Statutory Bodies, Indian Institutes of Management (IIMS) and other institutions set up by the Central/State Government.
Indicative List of Eligible Courses	<p>Under Graduate Courses and Post Graduate Courses in Engineering (B.E/ M.E, B.Tech/M.Tech,B.Arch/ M.Arch etc.) Medical/ Para Medical (MBBS/MD, B.SC/ M.Sc.Nursing, B.Pharmacy/M.Pharmacy, BPT/MPT, BOI/MOI,Siddha, Ayurveda, Homeopathy,Naturopathy etc.) Agriculture, Veterinary, Law, Dental (BDS/MDS), Management, Computer (MCA) etc.,</p> <p>Post Graduate diploma courses duly approved by AICTE/UGC and conducted by recognized institutions.</p>
Indicative List of Non Eligible courses	For studies in institutions abroad, courses pursued without completing class XII, Non Professional and Non Technical under Graduate and Post Graduate courses in Arts, Science, Commerce, Sociology, Music etc., Diploma Courses, Teacher Training Courses, Skill Development, Vocational Training courses etc.,