

## **SBI-STUDENT LOAN SCHEME**

### **MOST IMPORTANT TERMS AND CONDITIONS**

#### **1. Purpose for which the loan can be availed:**

The loan will be sanctioned for extending financial assistance to deserving/ meritorious students for pursuing higher education in India and abroad.

#### **2. Courses Eligible:**

- ❖ Studies in India:
  - Courses leading to Graduate Degree/ Post-Graduate Diploma & Degree conducted by colleges/universities recognized by UGC/ Govt. / AICTE/ AIBMS/ ICMR, etc.
  - Courses like ICWA, CA, CFA, etc.
  - Doctorate Programmes (Ph.D.) courses
  - Courses conducted by IIM, IIT, IISc, XLRI, NIT, BITS etc. other than covered under Scholar Loan Scheme.
  - Courses offered in India by approved reputed foreign universities.
  - Courses like Aeronautical, pilot training, shipping etc., approved by Director General of Civil Aviation/Shipping
- ❖ Studies abroad:
  - Graduation: For job oriented professional/ Technical courses offered by reputed Institutions.
  - Post-graduation: MCA, MBA, MS, etc. Job oriented professional/ technical Post Graduate Diploma/ Certificate courses offered by reputed Institutions
  - Doctorate Programmes (Ph.D.) courses
  - Courses conducted by CIMA (Chartered Institute of Management Accountants) - London, CPA (Certified Public Accountant) in USA etc.
  - Degree/diploma courses like aeronautical, pilot training, shipping etc. provided these are recognized by competent regulatory bodies in India /abroad for the purpose of employment in India/abroad.

#### **3. Student Eligibility:**

- Should be an Indian National (including NRIs)
- Secured admission to a recognized university/Institution
- For PIOs/OCIs, loan to be extended for studies in India only

#### **4. Expenses Considered for Loan:**

- Fee payable to college/school/hostel
- Examination/Library/Laboratory fee
- Purchase of books/ equipments/ instruments/ uniforms, Purchase of computers - essential for completion of the course
- Any other expense required to complete the course - like study tours, project work, thesis, etc.
- Caution deposit /building fund/refundable deposit supported by Institution bills/receipts.
- Travel expenses/passage money for studies abroad.
- Cost of a two-wheeler upto Rs. 50,000 can be included in the expenses considered eligible for finance where the loan amount is secured by a suitable third party guarantee and/or tangible collateral security.
- Premium of 'RiNn Raksha' (IRDA License No: UIN: 111N078V01) insurance policy: Finance for 'RiNn Raksha' will improve insurance-coverage of the loan

#### **5. Loan Amount:**

- Studies in India:
  - Medical Courses: Upto Rs. 30.00 lacs
  - Other Courses: Upto Rs. 10.00 lacsHigher loan limit for studies in India may be considered basing on merits on case-to-case basis
- Studies Abroad: Maximum Rs. 20.00 lacs  
Higher loan limit for studies abroad are considered under our SBI Global Ed-Vantage Scheme

#### **6. Margin:**

- Upto Rs.4 lacs: Nil
- Above Rs.4 lacs: Studies in India: 5 %  
Studies Abroad: 15 %
- For an education loan for more than Rs 4.00 lacs & upto Rs. 20.00 lacs for Studies abroad, applicant will be required to make a deposit of Rs 5000/-. If the applicant avails of the loan, the amount of Rs 5000/- will be adjusted against the contribution of margin money by him. If no margin is payable by him, the amount may be adjusted against the interest payable on the loan. If the applicant does not avail of the loan within a period of 4 months of sanction of the loan, the amount will be appropriated by the bank.
- The expenses connected with the Title investigation Report (TIR) of the borrower / Guarantor and valuation reports on the same will be borne by the borrower.
- Scholarship/ assistantship to be included in margin.
- Margin may be brought in as and when disbursements are made, on a pro-rata basis.

#### **7. Security:**

- ❖ Upto Rs. 7.50 lacs
  - Co-obligation of parent/ guardian
  - No security
  - No third-party guarantee
- ❖ Above Rs.7.50 lacs
  - Co-obligation of parent/ guardian together with tangible collateral security of suitable value, along with the assignment of future income of the student for payment of instalments.
  - The security can be in the form of land/ building/ Govt. Securities/ Bonds issued by PSUs/ Units of UTI, NSC, KVP, LIC policy, gold, shares/debentures, Bank Deposit in the name of student/ parent/ guardian/ any other third party and such other tangible liquid securities as may be deemed appropriate by the sanctioning authority.
- ❖ The documents should be executed by both the student and the parent/guardian as joint-borrower. We clarify that if the student is a minor, the documents will be signed by the guardian acting 'for self' as well as 'for and on behalf of the minor'.
- ❖ The co-obligator should be parent/ guardian of the student borrower. In case of married person, co-obligator can be spouse or the parent(s)/parents-in-law.

#### **8. Appraisal, Sanction & Disbursement:**

- Application will be received through Vidya Lakshmi Portal (VLP) of Govt. of India in the Branch. Upon receipt of application, a system-generated acknowledgement email with 12-digit reference number will be sent on registered email id.
- The loan is generally sanctioned at the branch nearest to the permanent residential address/place of domicile of the student/parent.
- The loan to be disbursed in stages as per the requirement/ demand directly to the Institutions/Vendors of books/ equipments/ instruments to the extent possible.
- In genuine cases, the fee already paid to the institute by the borrower from their own sources may be considered for reimbursement provided the reimbursement is claimed within 6 months of the payment, supported by verifying receipts/ proof of payment/ account statement etc.

#### **9. Processing Charges:**

- Loans upto Rs. 20 lacs: NIL
- Loans above Rs. 20 lacs: Rs. 10,000 (plus taxes) per application

**10. Rate of Interest:**

- Kindly go to <https://www.sbi.co.in/portal/web/interest-rates/education-loan-scheme> for latest Rate of Interest applied.
- Switchover facility from Base/SBAR linked interest rates to MCLR linked interest is available.

**11. Penalty:** If the EMI / Instalment(s) is not credited in the loan account of the borrower on due date, the undernoted charges will be recovered from the borrower:

- Rs 500.00 (plus taxes) as applicable, for non-credit of EMI/ Instalment(s) on or before the due date
- Penal interest @ 2% to be charged for loans above Rs. 4 lacs for the overdue amount and overdue period.

**12. Repayment Holiday/ Moratorium:**

- Repayment Holiday/ Moratorium: Course period plus 1 year, or 6 months after getting job, whichever is earlier.
- Servicing of Interest during Course & Moratorium:
  - Loans upto Rs. 20 lacs: Optional
  - Loans above Rs. 20 lacs: Mandatory

**13. Repayment Period:**

- Repayment Period: Upto 15 years after completion of course & moratorium.
- 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.
- In case the interest is not serviced during course & moratorium, the accrued interest to be added to the principal and repayment to be fixed in Equated Monthly Installments (EMI).

**14. Top Up Loan**

- Second loan (Top Up) Loan within the overall limit is permitted to pursue a professional course in India or abroad provided such further studies are commenced during the moratorium period of the first loan and subject to the second loan being allowed with the security requirements as applicable to the aggregate loan limit.
- The projected income of the student, after placement, should be sufficient to cover full loan repayment. As the student will not be able to take up a job after completion of the first course, his obligation to repay the loan after one year of completion of the first course would also need to be deferred. In such cases, the moratorium period may be extended for the duration of the second course and the combined repayment shifted to one year after the completion of the second course

Note: In cases where the student is pursuing higher studies by availing Second Loan from some other Bank, there will be no change in the moratorium period.

**15. Timeline for Disposal of Loan Application**

- Maximum 15 days, after the receipt of duly completed application with supporting documents.
- The timeline start from the date of receipt of complete documents from the applicant and the time taken by the applicant for submitting documents and/ or for furnishing information sought by the Bank will not be taken into account for the purpose of timeline indicated above.
- All timeline counts will be on the basis of full working days. Wherever there is a need for verification etc. with various authorities/ Govt. bodies across one or more centres, a minimum of 15 additional working days will be applicable.
- We shall endeavor, at all times, to deliver within the indicated timelines, barring in situations and circumstances that are beyond the control of the Bank.

**16. SBI STUDENT PLUS ADVANTAGE CARD** is available for all Education Loan borrowers. Card is issued on the basis of a Fixed Deposit (minimum Rs. 5000/-) with our Bank. Card Limit of 70% of the Fixed Deposit is provided to borrower.

For further details, visit SBI CARD website at: <https://www.sbicard.com/en/personal/credit-cards/shopping/sbi-student-plus-advantage-card.page>

**Customer Service:**

For any service related issue, customer can get in touch with SBI:

- Calling Customer Help Line Numbers
- Contact Customer Grievance Cell at our Local Head Offices
- Write to Grievance Cell at our Local Head Offices

(Details on Help line Numbers and Grievance Cell available on [www.sbi.co.in](http://www.sbi.co.in))

In case a customer is not satisfied with the handling of grievance by the Local Head Office, a communication may be sent (enclosing the message sent earlier to Local Head Office) to the -

Customer Service Department,  
State Bank of India, State Bank Bhavan, 16th Floor  
Madam Cama Road, Mumbai 400 021  
Tel: 022-22029456, Fax: 022 22742431

E-mail address - [customercare@sbi.co.in](mailto:customercare@sbi.co.in)

Toll free number: 1800-11-2211, 1800-425-3800, 080-26599990

**Disclosure:**

State Bank of India is authorized to disclose from time to time any information relating to the loan to any credit bureau (Existing or Future) approved by Government of India and Reserve Bank of India without any notice to the borrower. State Bank of India is also authorized to make inquiries with any Credit Bureau and get the applicants' Credit Information Report.

\*Terms & Conditions mentioned herein are subject to change without prior notice.