

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**HRD MINISTRY FINALIZES SCHEME FOR INTEREST SUBSIDY FOR
EDUCATION LOANS**

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Ministry of Human Resource Development has finalized the modalities for implementation of a new Central Scheme to provide full interest subsidy during the period of moratorium on educational loans for students belonging to economically weaker sections (with parental family income from all sources of less than Rs.4.5 lakh annually) from scheduled banks under the Educational Loan Scheme of the Indian Banks' Association (IBA) for pursuing courses of studies in professional/technical streams from recognized institutions in India. The modalities have been finalized in consultation with the Indian Banks' Association. The Scheme is effective for all IBA approved educational loans sanctioned in form of eligible students' in respect of approval course of studies from the academic year 2009-10.

Under the Scheme, proof of income is required to be certified by authorities to be designated by the State Governments. Accordingly, the Ministry has written to all Chief Secretaries of States/Union Territories to intimate the designated authority/authorities (at the District/Sub-District/Block, etc. levels) to the District Level Consultative Committee (DLCC) so that banking authorities at the branch level where students would be approaching for availing the benefit of the scheme would be aware of the same.

All Scheduled member banks of the IBA have also been advised to take necessary action to adopt and implement the Scheme so that the benefits of the Scheme accrue to the eligible students. Canara Bank is the nodal Bank, for the member Banks of IBA, for claiming reimbursement of interests credited to student accounts.

The details of the Scheme as well as the above communications are available on the website of this Ministry at www.education.nic.in.

All eligible students who wish to avail of the benefits of the Scheme are advised to approach the respective bank branch from where they availed of the education loan and complete the necessary formalities including obtaining the certification in respect of annual family income from the competent authority at the Block/Tehsil/District Level, so that the individual student accounts could be credited with the interest due on the Loan for the academic year 2009-10 onwards.

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