

Immediate

No. F.11-4/2010-U.5
Government of India
Ministry of Human Resource Development
Department of Higher Education

New Delhi, dated the 25th May, 2010

To

The Chairman-cum-Managing Directors
of all scheduled members Banks of IBA
(through the IBA)

Subject : Central Scheme to provide Interest Subsidy for the period of moratorium on educational loans taken by students from economically weaker sections from schedule banks under the educational loan scheme of the Indian Banks Association – Modalities of implementation thereof – request for adoption and implementation by all scheduled banks of IBA.

Sir/Madam,

I am directed to enclose a copy of the self-explanatory letter dated 21.04.2010 from Sunil Kumar, AS (HE) in this Ministry addressed to the Chief Secretaries of all States, enclosing therewith a copy of the Scheme and the modalities of implementation thereof.

2. You are requested to kindly take necessary action to adopt and implement the Scheme by your banks so that the benefits of the Scheme accrue to the eligible students. The Scheme is effective from the academic year 2009-10.

3. In case of any query/clarification you may kindly contact the undersigned or Shri Rajendra Kaliwani, Under Secretary, Room No.407, C-Wing, Shastri Bhawan, New Delhi – 110 015, Tel. No.23381095. Receipt of this letter may please be acknowledged.

Yours faithfully,


(Atul Sirsikar)
Director (HE)

Encl: as above.

Copy to :

1. Education Secretaries of all State Govts.
2. Finance Secretaries of all State Govts.
3. Web Master (CMIS), MHRD for putting a copy on the website of MHRD.

4. Ms. Sumita Dawra, Director (CP), Deptt. of Financial Services, Ministry of Finance, Jeevan Deep Building, Parliament Street, New Delhi w.r.t. letter No. 1(8)/2007-CP dated 13.04.2010.
5. Shri K. Unnikrishnan, Dy. Chief Executive, IBA, World Trade Centre Complex, Centre 1, 6th Floor, Cuffe Parade, Mumbai – 400 005 w.r.t. his letter No.SB/GOVT/10/21/171 dated 15.04.2010. It is requested that this letter may be forwarded by IBA to all its Member Banks for adoption/implementation of the Scheme.


(Atul Sirsikar)
Director (HE)

Copy for information to :

1. PS to HRM
2. PS to MOS
3. Sr. PPS to ES

SUNIL KUMAR
JOINT SECRETARY
Tel : 23382298



भारत सरकार
मानव संसाधन विकास मंत्रालय
उच्चतर शिक्षा विभाग
शास्त्री भवन
नई दिल्ली - 110 115

GOVERNMENT OF INDIA
MINISTRY OF HUMAN RESOURCE DEVELOPMENT
DEPARTMENT OF HIGHER EDUCATION

SHASTRI BHAVAN
21.04.2010
NEW DELHI-110 115

DO No. 11-4/2010-U.5

Dear Sir,

As you are kindly aware, a new Central Scheme to provide full interest subsidy during the moratorium on educational loans for students belonging to economically weaker sections (with parental family income from all sources of less than 4.5 lakh annually) from scheduled banks under the Educational Loan Scheme of the Indian Banks' Association (IBA) has been approved for pursuing courses of studies in technical education and professional streams from recognized institutions in India. IBA have now finalized the modalities of implementing the Scheme by all its member Banks, a copy of the Scheme along with modalities of implementation, as finalized by the Indian Banks' Association is enclosed for ready reference.

2. You would notice that under the Scheme, proof of income is required to be certified by authorities to be designated by the State Government. The IBA has proposed that in order to ensure uniformity in sanction of interest subsidy on education loans, State Governments may designate an authority or authorities to issue certificates based on income criteria only (that is not the social background). In order to ensure that benefits accrue to eligible students at the earliest, you may like to issue necessary directions notifying the competent authority for income certification, as well as for publicizing the same widely with in the State. Since the State Government must have designated certain authorities for the purposes of certification of income under various Central / State sector schemes, you may like to consider designating the same authorities, wherever feasible, for the purposes of certification of income under the present scheme of interest subsidy on education loans as well.

3. I am desired to request you to kindly intimate the designated authority / authorities (at the District / Sub-District / Block, etc. levels) to the District Level Consultative Committees (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. As interest subsidy is admissible in respect of education loans approved for the academic session 2009-2010, the interest amount on such loans would be becoming due at the close of the academic session. Your intervention in notifying the competent authority as well as widely publicizing the same through DLCCs for the information of Branch Managers of Banks would, therefore, be crucial in enabling the Central Government to reimburse banks the amount of interest accruing to eligible beneficiaries.

With regards,

Yours sincerely,

(Sunil Kumar)

Encl: as above

To

All Chief Secretaries of States / UTs



