



Indian Banks' Association

Social Banking

No. SB/Cir./10-21/ -

July 2, 2010

To,

The Chief Executives of all Member Banks

Dear Sirs/Madam,

Central Scheme to provide Interest Subsidy on Educational Loans taken by students from Economically Weaker Sections

We wish to inform Banks that the Government of India, Ministry of HRD (MoHRD), had Formulated an Interest Subsidy Scheme on Education Loan for the Economically Weaker Sections (EWS) for pursuing technical/professional courses in India. The scheme is on the lines of the existing IBA Model Educational Loan Scheme. The scheme takes effect from the academic year 2009-10, w.e.f. 1st April 2009 and is applicable to students from EWS with a parental upper income limit of Rs.4.50 lakhs and for studies in recognized technical and professional courses in India after class XII. The MoHRD has appointed Canara Bank as the Nodal Bank for the Scheme and had involved the IBA in preparing operational modalities.

The Ministry of HRD has since circulated the Scheme together with the modalities to all Banks vide its letter No.F.11-4/2010-U.5 dated 25th May, 2010. The Ministry has desired that since the proposed scheme is only an overlay on the existing Model Educational Loan Scheme, the banks may support this Scheme. Many banks have already started getting requests from students community for extending the scheme as the academic year 2010-11 has also started.

We enclose for reference of member banks the following documents.

1. Letter No. F.11-4/2010-U.5(i) dated 25th May, 2010 from Govt. of India, Ministry of HRD addressed to CMDs of All Scheduled Member Banks, together with (i) Modalities of the scheme, (ii) copy of letter D.O. No. 11-4/2010-U.5 dated 21st April, 2010 from MoHRD addressed to all Chief Secretaries of States / U.T.s on designating the competent authority for issuing income certificate.
2. Scheme proposed and Broad Features of the scheme by Ministry of HRD
3. Comments/Clarifications furnished by MoHRD on the scheme

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4. Copy of Presentation by Nodal Bank (Canara Bank) on the modalities of the scheme and submission of claims by Banks.
5. Format of uniform poster for display by Banks.

In case of any query / clarification in respect of **implementation of the scheme**, member banks are requested to kindly contact the following officials in the MoHRD:

Mr. Atul Sirsikar, Director(HR) or
Mr. Rajendra Kaliwani, Under Secretary,
Government of India,
Ministry of Human Resource Development,
Dept. of Higher Education, Shastri Bhawan,
New Delhi - 110 015.
Tel No. 011-23381095. Fax No. 011-23073780
email id : atul_sirsikar@rediffmail.com

In respect of any query regarding submission of claim, Banks may kindly contact the Nodal bank:

Mr. M M Chiniwar, Asst. General Manager,
Canara Bank. Head Office. Priority Credit Wing,
112, Jayachamarajendra Road, Bangalore - 560 002.
Tel No. 080-22109714. (M) 09449905649. Fax No. 080-22293517,
email id : mmchiniwar@canbank.co.in.

Yours faithfully,



(K Unnikrishnan)
Dy. Chief Executive

