

## GUIDELINES OF CENTRAL SECTOR INTEREST SUBSIDY SCHEME

### I. INTRODUCTION:

Government of India, with the objective of “No student to be denied the opportunity to pursue higher education because he or she is poor” launched a “**Central Sector Interest Subsidy Scheme**” under the aegis of Ministry of Human Resource Development during the year 2009. This Scheme provides interest subsidy to the Students of Economically Weaker Section (EWS) category for pursuing professional/ technical courses in India. The Scheme is applicable to all Scheduled Banks linked with the existing Model Educational Loan scheme of the Indian Banks' Association. **Under the revised Scheme, entire interest accrued for loan amount up to Rs. 10.00 Lakhs during the Moratorium period i.e. Course period plus one year is subsidized for the eligible education loan accounts.** Our Bank is the Nodal Bank for administering the CSIS Scheme implemented by the Ministry of Education (Erstwhile Ministry of Human Resource Development), Govt since inception of Scheme.

### II. ELIGIBILITY NORMS UNDER REVISED CSIS Vs EXISTING CSIS SCHEME:

Parameter	CSIS, 2009 (Loans sanctioned up to 31.03.2018)	Existing CSIS 2018 (Loans sanctioned on or after 01.04.2018 till 31.03.2022)	Revised CSIS (Loans sanctioned on or after 01.04.2022)
Eligible loan	Education loans availed under the existing IBA Model Educational Loan scheme for Inland studies.	Unchanged	Unchanged
Management quota	Loans under management quota are <b>not eligible</b> for subsidy under the CSIS scheme. However, loans sanctioned to pursue a course under <b>Management Quota under the IBA's Revised Model Educational Loan Scheme (who qualify for a seat under merit quota but selected Management quota seat for obtaining particular course / college of choice ) are eligible</b> (Refer our Cir.120/2013)	Unchanged	Unchanged
Integrated course	Subsidy is admissible only once either for undergraduate or post graduate or integrated course	Unchanged	Unchanged

<b>Category of students</b>	Economically Weaker Sections, i.e. students whose annual gross parental income is up to Rs.4.5 lakhs	Unchanged	Unchanged
<b>Eligible subsidy</b>	Interest accrued during the Moratorium period ie. Course Period plus one year will be borne by the Government of India. After the period of moratorium, the interest on the outstanding loan amount shall be paid by the student, in accordance with the provisions of the existing Model Educational Loan Scheme of Banks and as may be amended from time to time	Unchanged	Unchanged
<b>Course eligible</b>	Technical and professional streams from Educational Institutions established by Acts of Parliament, other Institutions recognized by concerned statutory bodies, Indian Institute of Management (IIMs) and other institutions set up by Central /state government.	Professional/technical courses only from NAAC accredited Institutions or professional/ technical programmes accredited by NBA or Institutions of National importance or Central Funded Technical Institutions (CFTIs).  Those Professional Institutes/ programmes, which do not come under the ambit of NAAC or NBA, would require approval of respective regulatory body.	Professional/technical courses only from NAAC accredited Institutions or professional/ technical programmes accredited by NBA or Institutions of National importance or Central Funded Technical Institutions (CFTIs).
<b>Applicable Academic Year</b>	01.04.2009 - till - 31.03.2018	01-04-2018 - till - 31.03.2022	01-04-2022- till further revision
<b>Loan limit up to which subsidy is eligible</b>	Rs. 10.00 lakhs	Rs. 7.50 lakhs	Rs. 10.00 lakhs

Interest rate	Interest rates charged on the educational loan shall be as per the Marginal Cost of Lending rate (MCLR) of our bank.	Interest rates charged on the educational loan shall be as per the Marginal Cost of Lending rate (MCLR) of our bank for the loans sanctioned upto 30.09.2019 and Repo Linked Lending Rate (RLLR) for the loans sanctioned after 01.10.2019.	Interest rates charged on the educational loan shall be as per the Repo Linked Lending Rate (RLLR) of our Bank.
Eligibility under Scheme if the Student discontinues their course midstream.	<p>Subsidy shall not be available to those students who discontinue their course midstream or who are expelled from the institution on disciplinary or academic grounds.</p> <p>Subsidy would be available only if discontinuation is due to medical grounds for which necessary documentation to the satisfaction of the Head of educational institution needs to be provided.</p>	Unchanged	Unchanged

<p><b>Income Limit:</b></p>	<p>Students whose parental income is upto Rs. 4.5 lakhs per Annum (from all sources) will fall under the EWS category.</p>	<p><b>Unchanged</b></p>	<p><b>Unchanged</b></p>
<p><b>Income certificate</b></p>	<p>As a proof of parental income, Branches/Offices have to obtain the income certificate from the authorized Public authority</p>	<p><b>Unchanged</b></p>	<p><b>Unchanged</b></p>
	<p>of the state to ascertain the eligibility under the Scheme at the time of sanction of loan. Branches to note that the income proof to be obtained <b>only once at the time of sanction and not every year.</b> The scheme is independent of any other schemes which may cater to EWS.</p>		

<p><b>Collateral security/Third party Guarantee</b></p>	<p>Irrespective of the For loan limit Security /Guarantee coverage student is eligible for Interest subsidy upto the Loan limit of Rs.10.00 lakhs</p>	<p>sanctioned up to Rs.7.5 lakhs Student is eligible for interest subsidy provided there is no Collateral Security/Third Party Guarantee</p>	<p>For loan limits sanctioned up to Rs.7.5 lakhs Student is eligible for interest subsidy provided there is no Collateral Security/Third Party Guarantee and for loans sanctioned above 7.5 lakhs irrespective of the Collateral Security/Third party Guarantee interest subsidy is eligible up to the loan limit of Rs.10.00 lakhs.</p>
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### III. INFORMATION ON LIST OF TECHNICAL/ PROFESSIONAL COURSES:

Branches/Offices to refer the following Websites/URLs to ascertain the eligible courses/programmes under the Scheme:

Particulars	Websites/URLs
List of Centrally Funded Technical institutions (MoHRD website)	<a href="https://www.education.gov.in/en/technical-education-1">https://www.education.gov.in/en/technical-education-1</a>
Institutions of National importance (MoHRD website)	<a href="https://www.education.gov.in/en/technical-education-1">https://www.education.gov.in/en/technical-education-1</a>
List of NAAC accredited universities/ institutions (NAAC website)	<a href="http://naac.gov.in/index.php/en/2-uncategorised/32-accreditation-status">http://naac.gov.in/index.php/en/2-uncategorised/32-accreditation-status</a>



NBA recognized professional courses (NBA website)	<a href="https://www.nbaind.org/accreditationprogram/AccreditedProgram">https://www.nbaind.org/accreditationprogram/AccreditedProgram</a>
Other approved Courses	Nodal officials of UGC/AICTE