

UCO BANK
(A Govt. of India Undertaking)
HONOURS YOUR TRUST

CRN
70 / 2005-06

Head Office :
Personnel Department
12, Old Court House Street
Kolkata - 700 001

Circular No.
CHO/PMG/11/2005
Dated : 01.06.2005

TO ALL BRANCHES / OFFICES IN INDIAN UNION

Sub : Education Loan to relatives of Staff Members/
Grant of Loans to Bank Officers/ Employees
on commercial rates

A. Education Loans to the relatives of Staff Members :

We invite reference to Head Office Circular No. CHO/SISB/02/2001-02 dated 29.05.2001 wherein revised operational guidelines were issued by Head Office, Credit Department in the matter of Education Loan for studies in India and abroad. The main objectives of the Educational Loan scheme aim at providing financial support to deserving/meritorious students for pursuing higher education in India and abroad.

Under this scheme no security is insisted upon upto the loan amount of Rs. 4 lacs. In case the Loan amount is above Rs. 4 lacs, collateral security equal to 100% of the loan or co-obligation of parents/guardians/third party for 100% of the loan amount is obtained.

As per Bank's Education Loan Scheme, staff related cases are sanctioned by authority one step higher than the normal sanctioning authority and clearance from Head Office, Personnel Department is obtained in case of officer employees. In case of Award Staff posted at Branches/Offices (other than Head Office) permission is obtained from the concerned sanctioning authority who is one step higher.

As per present practice permission is given to stand as a guarantor to any officer employee where the loan amount is below Rs. 4 lacs subject to fulfillment of the following conditions :

- i) In case the loan devolves upon the officer he will meet the liability out of his salary/own funds.
- ii) He will be a co-obligant to the proposed loan.

Where the loan amount is Rs. 4 lacs or above, permission is granted subject to fulfillment of the following conditions :

1. Lien is marked on PF and Gratuity of the officer concerned.
2. In case the loan devolves he has to meet the liability out of his salary/own funds.
3. On retirement the officer will have to keep an FDR equivalent to the balance outstanding of the loan duly discharged under lien to the Bank or on retirement of the officer he will be co-obligant to the Education Loan and equitable mortgage of his residential house will continue till adjustment of the loan.

In case of Award Staff employees the same terms and conditions are also maintained.

Since the Education Loan is sanctioned to the relatives of the staff members under the same guidelines as followed for public in general, the Board of Directors in its meeting held on 12.04.2005 approved that **Education Loan should be sanctioned to the relatives of the members of staff strictly on merits and under the same terms and conditions relating to Security as followed for public in general [except the sanctioning authority part]**. Hence, in case of Education Loan availed by relatives of staff members, the stipulations in the matter of Security vide item No. 5 of Circular No. CHO/SISB/02/2001-02 dated 29.05.2001 should be followed which reads as under :

Upto Rs. 4 lac : No security may be insisted upon.

Above Rs. 4 lac : Collateral security equal to 100% of the loan or co-obligation of parents/ guardians/ third party for 100% of the loan amount.

The document should be executed by both the students and the parent/ guardian/third party [as guarantor] as the case may be.

The security for loan of Rs. 4 lacs and above can be in the form of land/ building/ Government securities/ Public Sector Bonds/ Units of UTI, NSC, KVP, LIC Policy, Gold, shares/debentures, Bank deposit in the name of student/ parents/ guardians or any third party. The valuation and margin of the aforesaid securities will be governed by the relevant circulars issued by Head Office, Credit Department from time to time.

Whenever the land/ building is already mortgaged the unencumbered



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पीएसडी/स्था/सापाPSD/ESW/COM/2008-09/799

01-01-2009

सभी अंचल कार्यालयों को TO ALL ZONAL OFFICES BANGALORE

विषय : स्टाफ सदस्य के संबंधियों को शिक्षा ऋण - सुरक्षा खंड

Sub : Education loan to the relatives of staff members – security clause.

हमारे परिपत्र सं. सीएचओ/पीएमजी/11/2005 दिनांक 01.06.2005 की ओर ध्यान आकर्षित किया जाता है जिसमें स्टाफ सदस्यों के संबंधियों को शिक्षा ऋण दिए जाने के मामले में कुछ विनिर्धारणों एवं सुरक्षा मानकों की सूचना दी गई है।

Attention is invited to our Circular CHO/PMG/11/2005 dated 01-06-2005 wherein certain stipulations and security norms have been advised in case of Education Loan to the relative of staff members.

उक्त दिशानिर्देशों को ध्यान में रखते हुए अंचल कार्यालयों को सूचित किया जाता है कि उक्त परिपत्र में दिए गए अनुसार विनिर्धारणों एवं सुरक्षा मानकों का कठोरता से पालन करें, जिसमें कहा गया है कि उक्त ऋण में सह-उधारकर्ता बनने के लिए स्टाफ सदस्यों अनुमति प्रदान करते समय 4.00 लाख रु तक के ऋण के लिए किसी प्रकार की "प्रतिभूति के लिए जोर नहीं डाला" जाएगा।

Keeping in view the said directives, the Zonal Offices are advised to adhere strictly to the stipulations and security norms as given in the aforesaid circular which says that "upto Rs.4.00 lakh, no security be insisted upon", while according permission to the members of staff for standing a co-borrower in the subject loan.

महाप्रबंधक General Manager
कार्मिक सेवा Personnel Services