

यूको बैंक UCO BANK

(भारत सरकार का उपक्रम)

सम्मान आपके विश्वास का

(A Govt. of India Undertaking)

HONOURS YOUR TRUST

Head Office
Retail Banking Department
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KOLKATA – 700 001

Circular No. CHO / Retail
Banking / 14 / 2009-10
Dated: 06.09.2010

To ALL BRANCHES / OFFICES IN INDIA

Sub: MULTIPLE LOANS IN A FAMILY – UCO EDUCATION LOAN

Gist & Action Point	<ul style="list-style-type: none">• The earlier concept of multiple loan in a family considering family as a unit has undergone change• More than one member of same family can avail Education loan up to Rs. 4 lac and each applicant will be treated as individual loan without clubbing / insisting the income of the family and the security
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We invite reference to our circular no. CHO/Retail Banking/09/2008-09 dated 26.07.2008 on the captioned issue, wherein it was advised that, in case of more than one loan application originating from a family, the **“family”** as a unit has to be taken in to account for considering the loan and security taken in relation to the total quantum of finance disbursed, subject to margin and repaying capacity of the parent / student. This guideline was circulated in compliance of the directive of the IBA Working Group for Education loan, vide its meeting held on 20th July 2007.

However, following a referral made to the Ombudsman, Hyderabad, on the issue of **‘family’** as a unit, the RBI had now clarified that Education Loan is given for an individual and the limit of Rs. 4 lacs is also for an individual and not a loan for family as a unit and that any number of applicants belonging to the family may be sanctioned loans up to Rs. 4 (four) lacs individually, without insisting for any security.

In view of the above clarification from RBI, the Branches / Offices are advised to follow the guidelines of treating each Education Loan as separate unit and 'family as a unit concept' should not be followed. Therefore it supersedes the earlier guidelines on the issue circulated vide our circular no. CHO/Retail Banking/09/2008-09 dated 26.07.2008

Branches / Offices are advised to note the amendments carefully for compliance and immediate implementation. All other norms on Education loan shall remain unaltered.

General Manager
Retail Banking & Corporate Communication