

Kredila Overseas Education Loan Policy – Canada

This document outlines the financial assistance framework for Indian students pursuing higher education in Canada. Kredila's Canada policy is specifically designed to integrate with the **Student Direct Stream (SDS)** and the **Guaranteed Investment Certificate (GIC)** requirements mandated by the Canadian government.

1. Overview

Kredila provides comprehensive education loans for students admitted to **Designated Learning Institutions (DLIs)** in Canada. Our policy emphasizes the "Total Cost of Education," which includes not just tuition but also the mandatory GIC amount required for living expenses, ensuring a high visa success rate for our borrowers.

2. Eligible Courses

Canada is a hub for both traditional degrees and specialized diplomas. To be eligible for a Kredila loan, the course must be offered by a DLI with a valid **DLI Number**.

- **Qualifying Programs:**
 - **Post-Graduate Diplomas/Certificates:** 1-year and 2-year specialized programs.
 - **Master's Degrees:** MS, MA, and MEng programs.
 - **Management:** MBA programs (Executive and Full-time).
 - **Undergraduate:** Bachelor's degrees from recognized public universities.
- **Work Permit Linkage:** Priority is given to programs that are eligible for the **Post-Graduation Work Permit (PGWP)**.

3. Loan Amount & Interest

The loan quantum is designed to cover the significant increase in the Canadian government's cost-of-living requirements.

- **Maximum Loan Amount:** Up to **INR 75 Lakhs**.
- **Interest Rates:** Floating rates linked to **RBI benchmarks** (Repo Rate).
- **Moratorium Period:** Course duration plus a 6-month grace period. During this time, only simple interest or partial interest is payable.
- **Processing Fee:** 1% to 1.5% of the loan amount, depending on the applicant's academic profile.

4. Collateral Rules

Kredila offers flexible security requirements to help students secure funding quickly.

- **Collateral Threshold:** Mandatory for loan amounts exceeding **INR 40 Lakhs**.
- **Acceptable Collateral:**
 - **Immovable Property:** Residential flats, houses, or non-agricultural land.
 - **Liquid Assets:** Fixed Deposits, Surrender Value of Life Insurance, and select Mutual Funds.
- **Unsecured Option:** Students with high scores in **IELTS (6.5+ band)** and admission to Tier-1 universities may qualify for higher unsecured limits.

5. Disbursement Policy

The disbursement process for Canada is unique due to the **GIC (Guaranteed Investment Certificate)** requirement.

1. **GIC Funding:** Upon loan sanction, Kredila can disburse the required **CAD 22,895** (as per 2026 IRCC guidelines) directly to a participating Canadian bank (e.g., CIBC, ICICI Bank Canada, Scotiabank) to secure the GIC certificate.
2. **Tuition Fee Remittance:** The first-year tuition fee is remitted directly to the university/college as per the **Letter of Acceptance (LOA)**.
3. **Visa Prerequisite:** All disbursements are contingent upon the student providing proof of a filed visa application or an approved Study Permit.
4. **FX Management:** Funds are converted from INR to CAD at the prevailing daily exchange rate at the time of remittance.

6. Risk & Exceptions

- **SDS vs. Non-SDS:** Loans for Non-SDS applications (where GIC is not mandatory but recommended) may require higher co-applicant income stability.
- **Provincial Attestation Letter (PAL):** Disbursement for undergraduate students is subject to the receipt of a valid **PAL** where applicable.
- **FX Volatility:** If the CAD appreciates significantly against the INR, Kredila may offer a "buffer disbursement" of up to 5% of the sanctioned amount to cover the shortfall.