

Kredila Domestic Education Loan Policy – India

This document outlines the policy framework for education loans provided by **Kredila** to students pursuing higher education within India. Our domestic policy is designed to support the "Study in India" initiative, with a focus on high-employability professional courses and premier national institutions.

1. Overview

Kredila offers comprehensive financial support for Indian students admitted to recognized domestic institutions. Unlike overseas loans, the India policy is tailored for local cost structures, focusing on 100% coverage of tuition fees, campus accommodation, and essential learning equipment. We prioritize merit-based lending for students entering India's top-tier engineering, management, and medical colleges.

2. Eligible Courses

Kredila categorizes Indian institutions into two tiers to determine loan eligibility and terms:

- **Premier Institutions (Tier-1):** All IITs, IIMs, NITs, XLRI, ISB, AIIMS, and National Law Universities (NLUs).
- **Accredited Institutions (Tier-2):** Universities and colleges recognized by **UGC, AICTE, or NAAC (Grade A or above)**.
- **Qualifying Programs:** * **Professional Degrees:** B.Tech, M.Tech, MBBS, MBA, and MCA.
 - **Specialized Courses:** Integrated Law, Architecture, Design (NID/NIFT), and PhD programs.
 - **Executive Education:** Part-time or full-time MBA/PGDM for working professionals.

3. Loan Amount & Interest

Loan limits are scaled based on the institution's pedigree and the course's earning potential.

Feature	Premier Institutions (Tier-1)	Regular Institutions (Tier-2)
Max Loan Amount	Up to INR 1 Crore	Up to INR 40 Lakhs

Interest Rate	Repo + 1.5% to 3.0% (Floating)	Repo + 3.5% to 5.5% (Floating)
Margin Money	0% (100% funding)	5% to 15%
Repayment Tenure	Up to 15 years	Up to 12 years

- **Tax Benefit:** Borrowers are eligible for tax deductions on the interest component under **Section 80E** of the Income Tax Act for up to 8 years.

4. Collateral Rules

Kredila follows a risk-based collateral model, offering significant "Unsecured" (collateral-free) limits for high-merit students.

- **Unsecured Limits:**
 - **Tier-1 Institutes:** Up to **INR 50 Lakhs** (No collateral required).
 - **Tier-2 Institutes:** Up to **INR 7.5 Lakhs** (As per IBA Model Scheme).
- **Secured Loans:** Mandatory for amounts exceeding the thresholds above.
- **Acceptable Collateral:** Residential/commercial property, Fixed Deposits (with Kredila partners), or surrender value of Life Insurance Policies.

5. Disbursement Policy

Disbursement is synchronized with the academic calendar of Indian universities.

1. **Direct Remittance:** Tuition and hostel fees are disbursed directly to the institution's official bank account as per the fee schedule.
2. **Ancillary Costs:** Funds for books, laptops, and study materials are credited to the student's bank account upon submission of valid proforma invoices.
3. **Digital Rupee Integration:** In line with 2026 digital banking norms, Kredila supports disbursements through **CBDC (Digital Rupee)** wallets for instant, traceable transfers.
4. **Security Check:** Subsequent semester disbursements are subject to the student maintaining a minimum **CGPA of 6.0** (or equivalent) and submission of previous semester mark sheets.

6. Risk & Exceptions

- **Accreditation Risk:** If an institution loses its UGC/AICTE accreditation during the course, Kredila reserves the right to stop further disbursements.

- **Co-Applicant Default:** The loan is joint and several. A drop in the co-applicant's credit score (CIBIL) during the tenure may lead to a review of the interest spread.
- **Drop-outs:** In the event of a student withdrawing from the course, the moratorium period is canceled, and immediate repayment of the principal and interest becomes due.