

Kredila Overseas Education Loan Policy – Germany

This document outlines the specialized financial assistance framework for Indian students pursuing higher education in Germany. Kredila's Germany policy is uniquely structured to account for the "low-tuition" model of public universities while ensuring students meet the mandatory **Blocked Account (Sperrkonto)** requirements for German student visas.

1. Overview

Kredila offers customized loan products for students heading to Germany, focusing on the country's world-class engineering and research landscape. Unlike other regions, the Germany policy emphasizes **living expense coverage** and the **APS (Academic Evaluation Center)** certification process, ensuring that students are financially prepared for the rigorous German academic environment.

2. Eligible Courses

Germany is a top destination for specialized technical and research-oriented degrees.

- **Public Universities:** Funding for semester contributions and the mandatory Blocked Account for MS, PhD, and Bachelor's programs.
- **Private Universities:** Comprehensive funding for tuition-heavy programs at accredited private business and tech schools.
- **Priority Fields:** STEM (Science, Technology, Engineering, Mathematics), Automotive Engineering, Renewable Energy, and AI/Data Science.
- **Mandatory Prerequisite:** Applicants must provide a valid **APS Certificate** (applicable for Indian students since late 2022) as proof of academic authenticity.

3. Loan Amount & Interest

Due to the absence of tuition fees in public institutions, loan requirements for Germany are often lower but remain substantial to cover the high cost of living.

Feature	Specification
Maximum Loan Amount	Up to INR 45 Lakhs (Public) / INR 75 Lakhs (Private)
Interest Rate	Floating; Linked to RBI benchmarks (Repo Rate) + Spread
Sperrkonto Funding	Full disbursement of the mandatory yearly blocked amount

Repayment Tenure	Up to 15 years with flexible moratorium options
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4. Collateral Rules

Kredila provides both secured and unsecured paths, recognizing the high "Return on Investment" of a German degree.

- **Collateral Threshold:** Mandatory for loan amounts exceeding **INR 40 Lakhs**.
- **Unsecured Advantage:** Students admitted to **TU9** (Technical Universities 9) or **Excellence Universities** may qualify for unsecured loans up to **INR 35 Lakhs** based on academic merit and IELTS/TestDaF scores.
- **Acceptable Assets:** Residential property, commercial property, or financial securities (Fixed Deposits).

5. Disbursement Policy

The disbursement for Germany follows a strict timeline to align with the German Embassy's visa requirements.

1. **Blocked Account (Sperrkonto):** Kredila can disburse the required **€11,904** (standard 2026 requirement) directly to authorized providers like **Expatrio, Fintiba, or Coracle**. This is typically done *before* the visa interview to obtain the "Blocking Confirmation."
2. **Semester Contributions:** Remitted directly to the university or into the student's personal account for public university administrative fees.
3. **Private Tuition:** For private universities, fees are remitted directly to the institution as per the fee schedule.
4. **Exchange Rate:** Disbursements are calculated based on the prevailing **EUR/INR** rate at the time of transfer.

6. Risk & Exceptions

- **Blocked Account Hikes:** If the German Federal Foreign Office increases the BAföG-based blocked amount (currently €992/month), Kredila will offer a "top-up" to ensure visa compliance.
- **Language Requirements:** Borrowers must show proof of the required language level (English or German) as per the university's admission criteria.
- **APS Delay:** In case of delays in receiving the APS Certificate, Kredila can issue a conditional sanction letter, but final disbursement is strictly subject to the certificate's presentation.