

# **Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme**

## **Details (Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme)**

The “Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme” was launched by the Ministry of Education (Erstwhile Ministry of Human Resource Development), Government of India in the year 2009. The scheme provides full interest subsidy during the moratorium period on loans availed under the Model Education Loan Scheme of the Indian Banks’ Association (IBA) to students belonging to economically weaker sections whose annual parental income is up to ₹4.5 Lakhs from all sources. Canara Bank has been appointed as Nodal Bank for the implementation of the scheme. In case of doubt, related to eligibility of course under the scheme, etc., banks may approach the University Grants Commission (UGC)/ All India Council for Technical Education (AICTE) and other councils for clarification, for which UGC/AICTE and other councils would be requested to create Cells and identify Nodal Officers, whom banks can approach for relevant information. It shall be the responsibility of the loan disbursing bank to ensure that only technical/professional courses are covered by them under the scheme. Eligible Bank: The Scheme is adopted by all Scheduled Banks/Regional Rural Banks (RRBs)/Cooperative Banks and is linked with the existing Model Educational Loan Scheme of the Indian Banks’ Association.

## **Objectives (Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme)**

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  - education
  - 1 and <https://www.education.gov.in/institutions>
  - national
  - importance .

## **Important Features (Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme)**

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- uncategorised/32
- accreditation
- status and NBA recognized professional courses are available at the NBA website URL [https://www.nbaind.org/accreditationprogram/Accredited Program](https://www.nbaind.org/accreditationprogram/Accredited%20Program) .

## **Benefits (Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme)**

- Under the scheme, interest subsidy on education loans is provided for a maximum amount of ₹10 lakhs (Even sanctioned loan amount in excess of ₹10 lakhs would qualify for interest subsidy up to ₹10 lakhs only). In the scheme, no collateral security or third party guarantee is required for Education Loans sanctioned upto ₹7.5 lakhs. The lonee bank is to ensure that this part of the loan is covered for guarantee under Credit Guarantee Fund Scheme for Education Loan (CGFSEL). The interest subsidy is allowed for pursuing higher education in professional/technical courses only from NAAC accredited Institutions or professional/technical programmes accredited by NBA or Institutions of National Importance or Centrally Funded Technical Institutions (CFTIs) in India. Interest Rates: The interest rates charged on the educational loan shall be as per the Benchmark Prime Lending Rate (BPLR)/Base Rate of the individual banks and as per the provisions for interest rates under the IBA Model Educational Loan Scheme. Moratorium Period: Under the Scheme, the moratorium period is defined as a Course Period plus one year. Interest for only the moratorium period, at a simple rate of interest, will be borne by the Government of India, subject to the condition that the student completes the course of study successfully. After the period of moratorium, the interest on the outstanding loan amount shall be paid by the student, in accordance with the provisions of the existing Model Educational Loan Scheme of Banks and as may be amended from time to time. Interest Concession: Under the IBA Scheme, 2021, Banks at its discretion may provide a 1% interest concession if interest is serviced during the study period and subsequent moratorium period prior to commencement of repayment. However, the subvention provided by the Government should not be a cause for providing a 1% concession in the rate of interest.

## **Eligibility (Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme)**

- Education Loans taken under the IBA Model Education Loan Scheme.
- The benefit of the Scheme is applicable to students belonging to economically weaker sections having gross parental/ family income up to ₹4.5 lakhs per annum from all sources.
- Students enrolled in professional/technical courses only from NAAC accredited Institutions or professional/technical programmes accredited by NBA or Institutions of National Importance or Central Funded Technical Institutions (CFTIs).
- Those Professional Institutions/programmes, which do not come under the ambit of NAAC or NBA, would require approval of the respective regulatory body.
- Admissible only once either for Undergraduate or Post Graduate degree courses.
- This is also admissible for Integrated Courses (Graduate + Post Graduate).
- Students availing any other Central /State Government Scholarship or Fee reimbursement shall not be eligible for availing benefits under the CSIS Scheme.
- Interest Subsidy under this Scheme shall not be available to those students who discontinue their course midstream, or who are expelled from the Institution on disciplinary or academic grounds.
- However, the interest subsidy would be available only if discontinuation is due to medical grounds for which necessary documentation to the satisfaction of the Head of an educational institution needs to be provided.

## **Application Process (Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme)**

- To apply under the scheme, the eligible student has to visit the nearest Bank branch office from where he/she has availed the facility of Education Loan for studying from a recognized institute in India.
- Note: Nodal Bank shall disburse the subsidy in the Education Loan account of the beneficiaries in DBT mode through PFMS Portal.
- It is the sole responsibility of the lending bank to claim interest subsidy on behalf of eligible beneficiaries on a yearly basis.

## **Documents Required (Pradhan Mantri Uchchatar Shiksha Protsahan Yojana: Central Sector Interest Subsidy Scheme)**

- 1. Identity proof i.e Aadhaar Card 2. PAN Card 3. Income proof (Issued by Competent Authority) 4. Educational Certificates 5. Proof of admission to the course 6. Bank account details 7. Any other documents
- as required

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