



Student Loan Policy

Financing Dreams, Building Futures





OUR TEAM

EXPERT TEAM MEMBERS



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EMPOWERING YOUR EDUCATION

At Eden Capital, we believe in the transformative power of education. Founded with the vision that financial constraints should never hinder one's potential, we are committed to empowering students from all backgrounds to achieve their dreams through higher education.

Our journey began with a simple yet profound idea: to create a pathway for aspiring students to access quality education without the burden of overwhelming financial stress. Understanding that education is a crucial stepping stone to a brighter future, we set out to develop a financial solution that is as forward-thinking and dynamic as the students we aim to serve.



VISION & MISSION

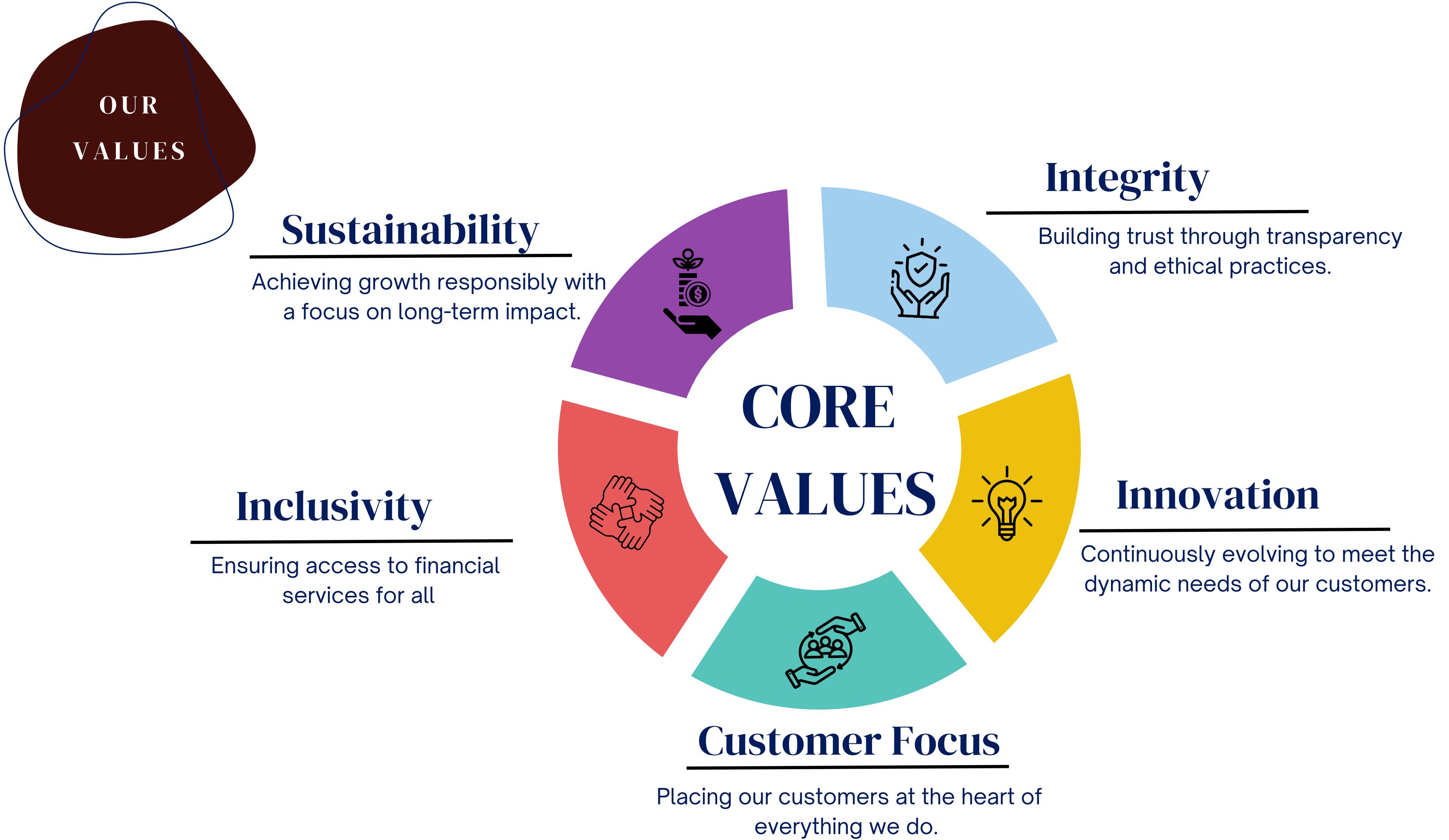
Our Vision

We aspire to be a globally recognized financial institution, leading the way in sustainable growth, cutting-edge technology, and exceptional customer experiences.



Our Mission

At Eden Capital, our mission is to empower individuals and businesses by providing innovative financial solutions tailored to their needs. We are committed to fostering financial inclusion, supporting economic growth, and delivering exceptional service with integrity and trust..



MORE ABOUT US

Our bank is a reputable financial institution with a long history of providing personalized and reliable financial solutions. We are committed to supporting the educational aspirations of individuals and families by offering a range of financial products and services tailored to their unique needs.



Strong financial standing

Our bank boasts a strong financial standing, backed by a solid track record of responsible lending practices and robust risk management strategies.



Customer-Centric Approach

We prioritize customer satisfaction and strive to provide a personalized and seamless lending experience.



Commitment to Education

We are deeply committed to promoting education and believe in the transformative power of knowledge.



Technological Advancement

We leverage cutting-edge technology to streamline our loan application and processing procedures, ensuring efficiency and transparency.



OBJECTIVE

Empowering Educational Aspirations Through Accessible Financial Solutions

At Eden Capital, our objective is to support students in their pursuit of higher education by offering accessible and effective student loan solutions. We are committed to helping deserving individuals overcome financial obstacles to achieve their academic goals.

Our streamlined application process ensures that obtaining financial assistance is both efficient and straightforward. Through our dedicated support, we aim to empower students to advance their education and build a successful future.



WHY US?

WHY OPT FOR AN EDUCATIONAL LOAN

An education loan is a smart financial decision that allows you to focus on your studies while we take care of the finances. Here's why:



Pay After Graduation

Payments start post-graduation with flexible EMIs.



Retain Savings

Preserve savings for future needs, including emergencies and investments.



Easy Repayment

Customize EMIs based on your income, starting after graduation.



Build Credit History

Timely repayments build a positive credit history for future financial opportunities.



Financial Independence

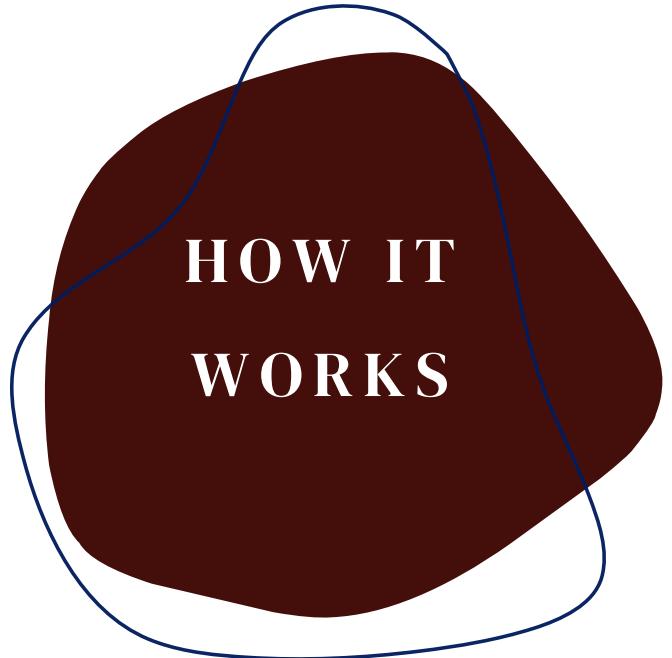
Encourages responsibility and financial independence for the student.



No Need for Liquid Funds

Avoid the need to maintain large liquid savings for education.





HOW IT
WORKS

Sanctioning Education Loans

This guide covers eligibility requirements, necessary documentation, loan amount limits, and repayment terms for education loans.



1.Purpose: The loan will be sanctioned for extending financial assistance to meritorious students for pursuing higher education in India and abroad

2.Student Eligibility:

- Should be an Indian National
- Secured admission to Professional/Technical courses through Entrance Test/Selection process.
- Secured admission to foreign university/Institutions.
- No minimum qualifying marks stipulated in the last qualifying examination



3.Courses eligible:

- a. Studies in India: Graduation courses:
- BA, B.Com., B.Sc., etc.
 - Post Graduation courses: Masters & PhD.
 - Professional courses: Engineering, Medical, Agriculture, Veterinary, Law, Dental, Management, Computer, etc.
 - Computer certificate courses of reputed institutes accredited to Dept. of Electronics or institutes affiliated to university.
 - Courses like ICWA, CA, CFA, etc. Courses conducted by IIM, IIT, IISc, XLRI, NIFT, etc.
 - Regular Degree/Diploma courses like Aeronautical, pilot training, shipping, etc., approved by Director General of Civil Aviation/Shipping, if pursued in India.
 - Courses offered in India by reputed foreign universities. Other courses leading to diploma/degree conducted by colleges/universities approved by UGC/Govt./AICTE/AIBMS/ICMR, etc.
 - Courses not covered under the criteria mentioned above may be considered based on future prospects/recognition by the user institution.



- b. Studies abroad: Graduation: For job-oriented professional/technical courses offered by reputed universities. Post-graduation: MCA, MBA, MS, etc. Courses conducted by CIMA (London), CPA (USA), etc.
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4. Expenses Considered for Loan:



- Fee payable to college/school/hostel.
- Examination/Library/Laboratory fees.
- Purchase of books/equipment/instruments/uniforms.
- Caution deposit, Building fund/refundable deposit supported by Institution bills/receipts (up to 10% of total tuition fees for the entire course).
- Travel expenses/passage money for studies abroad.
- Purchase of computers essential for course completion.
- Insurance premium for the student borrower.
- Any other expense required to complete the course (study tours, project work, thesis, etc.).
- Premium of the insurance policy covering the life of the borrower for loan



5. Maximum Loan amount: Need-based finance subject to repaying capacity of the parents/students with margin and the following ceilings:

- Studies in India: Maximum Rs. 40 lakhs.
 - Studies abroad: Maximum Rs. 60 lakhs.
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6. Dropout Case Options:

a. Immediate Loan Repayment:

- In case of a dropout, the student may opt to start repaying the loan immediately
- Repayment will start from the month following the official dropout notice

b. Rescheduled Repayment Plan:

- As an alternative, students may choose to restructure the repayment plan.
 - A grace period of up to 6 months to help the student recover financially
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7. Security: a) Up to Rs. 5 lacs :

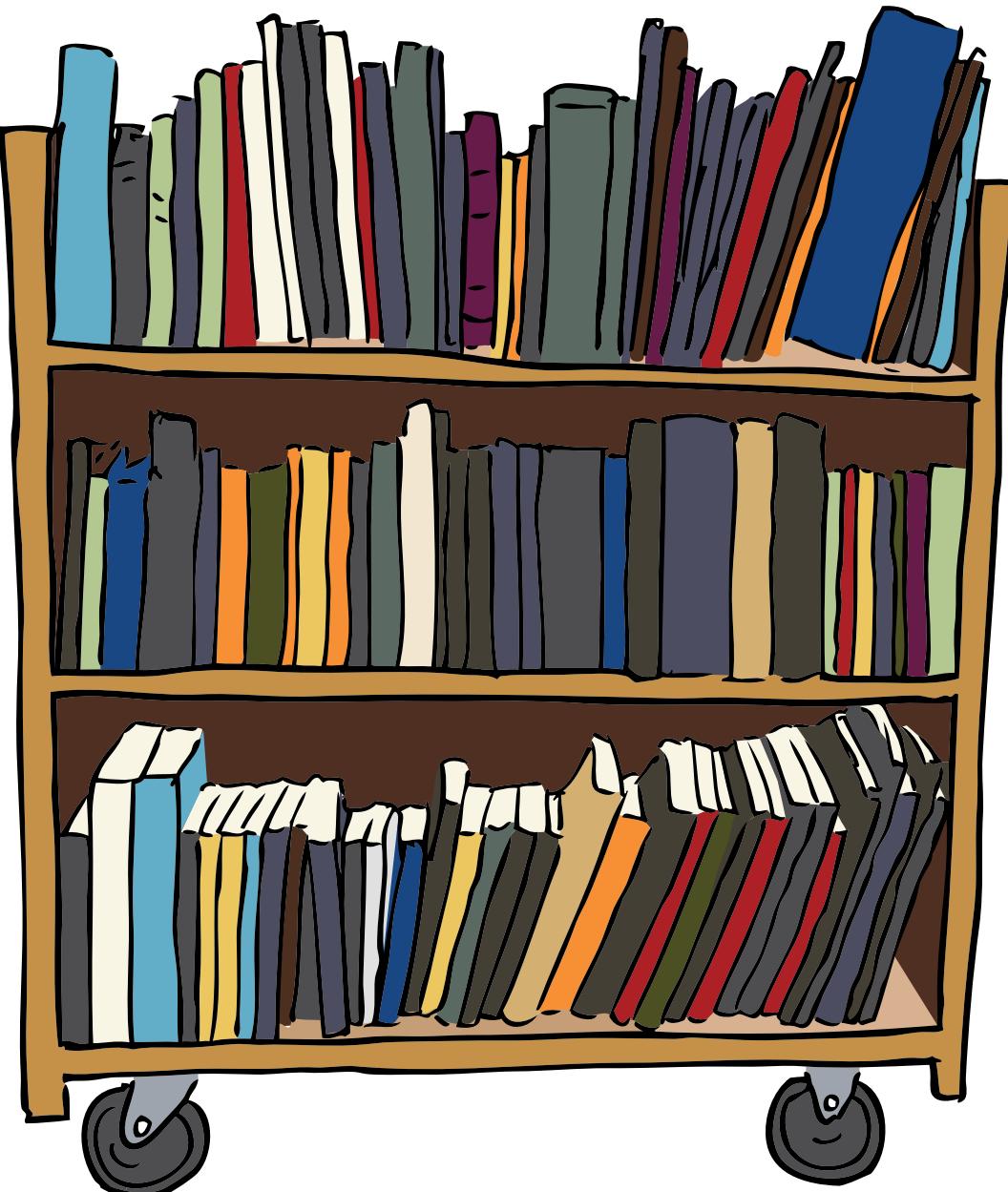
- Co-obligation of parents
- No security

b) Above Rs. 5 lacs and up to Rs.10 lacs :

- Co-obligation of parents together with collateral security in the form of suitable third party guarantee. The bank may, at its discretion, in exceptional cases, waive third party guarantee if satisfied with the net-worth/means of parent/s who would be executing the documents as “joint borrower”.

c) Above Rs.10 lacs :

- Co-obligation of parents together with tangible collateral security of suitable value, along with the assignment of future income of the student for payment of instalments
- The documents should be executed by both the student and the parent/guardian as joint-borrower. We clarify that if the student is a minor, the documents will be signed by the guardian acting ‘for self’ as well as ‘for and on behalf of the minor’.
- The co-obligator should be parent(s)/guardian of the student borrower. In case of married person, co-obligator can be spouse or the parent(s)/parents-in-law.





8. Interest Charges:

- Studies in India - 8.5% p.a
- Studies in Abroad - 11.5% p.a
- 0.50% concession in interest rate for meritorious girl students.
- Simple interest to be charged during moratorium period which is to be re-paid before the start of repayment period.
- Penal interest @ 2% of EMI to be charged for overdue payments and missed installments.
- Interest reduction up to 1.2% based on co-applicants credit score.

9. Sanction & Disbursement:

- The loan is generally sanctioned at the branch nearest to the permanent residential address/place of domicile of the student/parent.
 - The loan to be disbursed in stages as per the requirement/ demand directly to the Institutions/Vendors of books/ equipment/ instruments to the extent possible..
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10.Repayment:

Repayment Holiday/ Moratorium:

Course period + 1 year, or 6 months after getting job, whichever is earlier.

Repayment:

The loan is to be repaid in 5-7 years, after commencement of repayment.

- If the student is not able to complete the course within the scheduled time, extension of time for completion of course may be permitted for a maximum period of 2 years. If the student is not able to complete the course for reasons beyond his control, the sanctioning authority may at his discretion consider such extensions as may be deemed necessary to complete the course.

Graduated Repayment Plan:

This plan starts with lower monthly payments and gradually increases over time, aligning with expected income growth.



11. Top Up Loan:

Second loan (Top Up) Loan within the overall limit is now permitted to pursue a professional course in India or abroad provided the projected income of the student, after placement, is sufficient to cover full loan repayment, and subject to the second loan being allowed with the security requirements as applicable to the aggregate loan limit. Since the student will not be able to take up a job after completion of the first course, his obligation to repay the loan after one year of completion of the first course would also need to be deferred. In such cases, the moratorium period may be extended for the duration of the second course and the combined repayment shifted to one year after the completion of the second course, or 6 months after taking up a job whichever is earlier. .



FORMULAE

EMI

$$EMI = \frac{P \times r \times (1 + r)^n}{(1 + r)^n - 1}$$

where,

P = principal amount

r = periodic rate of interest

n = total number of periods



ACCRUED INTEREST

$$\text{Accrued Interest} = P \times r \times t$$

where,

P = principal amount

r = periodic rate of interest

t = total number of periods



CASE STUDIES

CASE 1 : MISSING A PAYMENT

OBJECTIVE:

Provide flexibility in loan repayment for students who are unable to secure employment within the moratorium period or who lose their job soon after employment.

CONTEXT:

- **Loan Terms:** Student loans typically have a defined repayment schedule, with monthly payments required. Missing a payment can have consequences such as late fees, increased interest, and negative impacts on credit scores.
- **Common Reasons for Missing Payments:**
 - Financial hardship (e.g., unexpected medical expenses, job loss)
 - Forgetfulness or administrative errors
 - Unemployment or underemployment
- **Late Payment Fee:** The missed payment incurs a penalty fee.
- **Additional Interest:** The missed payment continues to accrue interest until it is paid. If the payment is missed for a month, additional interest is charged on the outstanding balance.
- **Impact on Total Payment:** If the missed payment is made a month later, the student will now have to pay the missed payment amount, the late fee, and the additional interest. The total repayment period may also extend slightly unless the missed payment is covered with an increased subsequent payment.

FINANCIAL CONSEQUENCES:

CASE 1: MISSING A PAYMENT

CREDIT SCORE IMPACT:

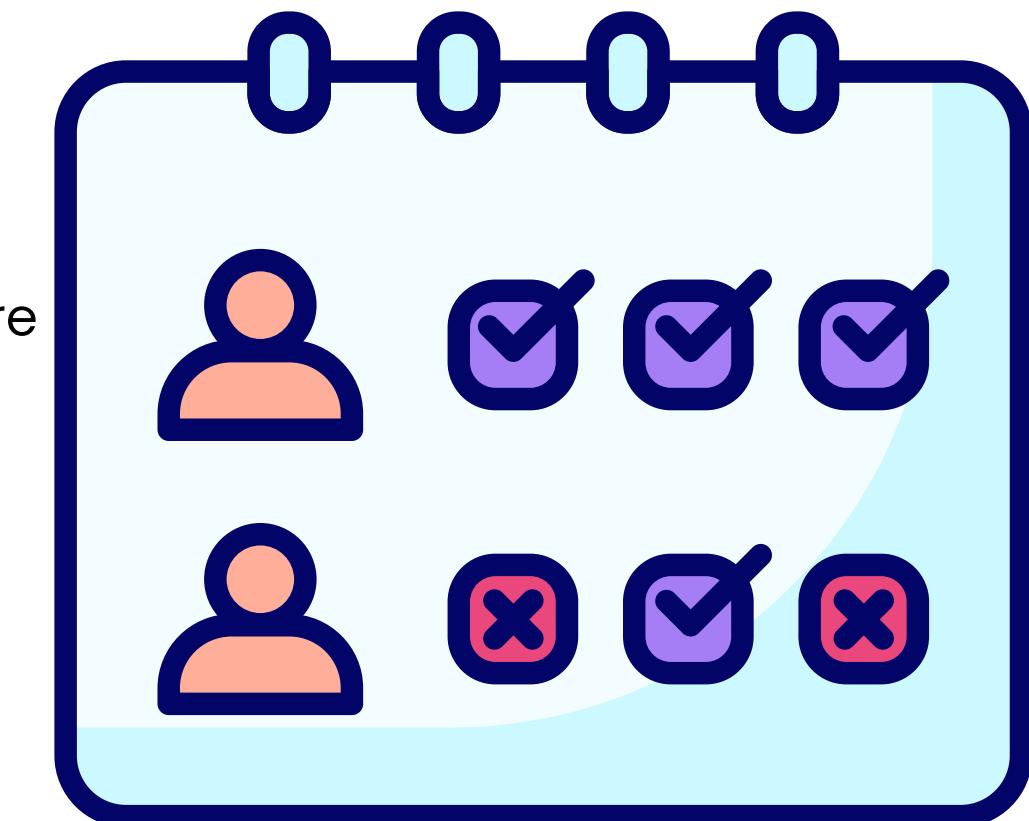
A missed payment can negatively affect the student's credit score, making it harder to obtain future credit or loans.

BANK'S PERSPECTIVE:

- **Risk of Default:** Missing a payment could be an early indicator of financial distress, increasing the risk of default.
- **Administrative Costs:** The bank incurs additional costs related to late payment processing, collections, and managing delinquent accounts.
- **Penalty Income:** Late fees and additional interest may generate extra income for the bank.

POLICY CONSIDERATION:

Grace Period: Offer a short grace period (e.g., 15 days) before imposing late fees and additional interest.





CASE 2 : DROPOUT FROM COURSE

OBJECTIVE:

Determine the repayment terms for a student who drops out of their course midway, either due to personal or academic reasons.

CONTEXT:

- **Immediate Repayment Clause:** Many loan agreements require immediate repayment if a student leaves their course early.
- **Grace Periods:** Some institutions may offer grace periods or modify the repayment schedule to ease the burden on the student.

DROPOUT CASE CALCULATION:

- **Rescheduled Repayment:** If the student drops out, calculate the new repayment schedule or immediate payment amount.

CASE 2 : DROPOUT FROM COURSE

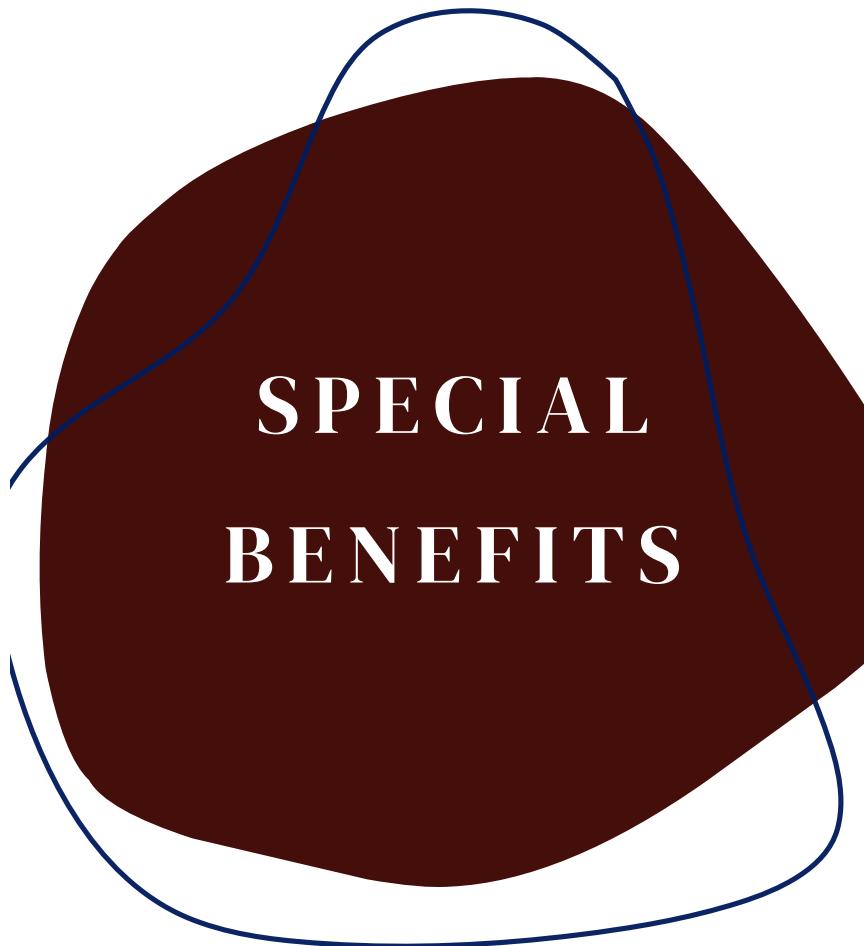
BENEFITS AND BANK PERSPECTIVE:

- **Student Benefits:** A grace period or restructured loan terms can help avoid financial stress after dropping out.
- **Bank Perspective:** The bank secures its interest by enforcing immediate repayment or a modified schedule to ensure loan recovery





SPECIAL BENEFITS



1. BENEFITS FOR FEMALE CLIENTS

To support the education and professional advancement of women by offering a reduced rate of interest (ROI) on student loans to female clients. This initiative aims to ease financial barriers for women pursuing higher education, particularly those who demonstrate academic excellence, thereby empowering them to achieve their educational and career goals with greater financial ease.

Eligibility:

The female student should score minimum 90% in her final/previous grade.

Incentives Provided:

- Reduced rate of interest: Provide the student loan at lesser ROI of 0.5%
- Economically Weaker Section: Under the Indian Banks' Association (IBA) Model Education Loan Scheme, female students whose family income is less than Rs 4.5 lakhs per annum will benefit from this subsidy where the government will subsidize the interest accrued during the course duration plus 1 year of moratorium period.



2. GRADUATED REPAYMENT PLAN

The Graduated Repayment Plan is designed to provide flexibility and support to recent graduates as they transition into their professional careers. This policy allows borrowers to start with lower payments and gradually increase them, aligning with expected salary growth over time.

Repayment Terms.

Initial Contribution Choice:

Percentage Selection: At the outset, borrowers will select a percentage of their initial salary to contribute towards their monthly loan payment. This percentage can range from 5% to 15% of the borrower's salary incase of installments other than monthly.

Annual Payment Increase:

Incremental Adjustments: Each year, the borrower's monthly payment will increase by 10% of the initial monthly payment amount. This adjustment will continue annually until the loan is fully repaid or until the maximum payment cap is reached.

Extended Repayment Term:

Duration: The total repayment period will be extended to accommodate the annual increases in payments, ensuring that the payments remain manageable throughout the loan term.

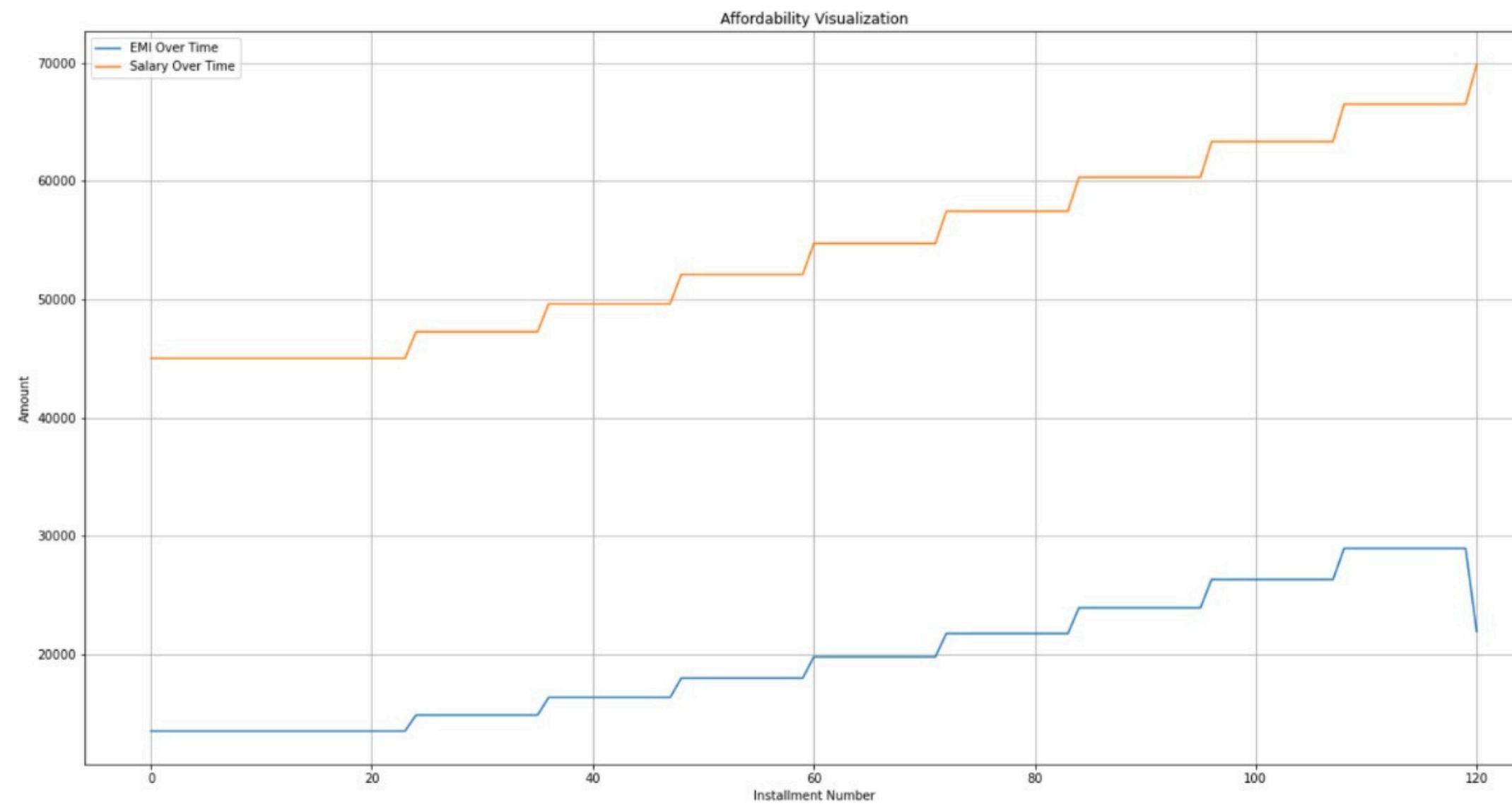
Payment Cap:

Maximum Monthly Payment: To ensure affordability, the maximum monthly payment will not exceed 50% of the borrower's initial monthly salary. This cap protects borrowers from excessively high payments and maintains financial manageability.



GRADUATED REPAYMENT PLAN

GRAPH:



3. INTEREST RATE ADJUSTMENT BASED ON CREDIT SCORE IMPROVEMENT

At Eden Capital, we are committed to rewarding our borrowers for responsible financial behaviour and improving credit management. As part of our student loan plan, we offer interest rate adjustments based on the co-applicant's credit score. This policy aims to provide benefits for both high credit scores and significant improvements in credit scores over time, promoting financial responsibility and ensuring fairness in loan pricing.

Policy Details:

1. High Credit Scores:

Maintenance-Based Reduction:

Scores Above 800: Reduce the interest rate by 1%.

Scores Between 750 and 800: Reduce the interest rate by 0.5%.

2. Low Credit Scores:

Improvement-Based Reduction:

Reduction: 0.4% for every 100-point improvement in the credit score.

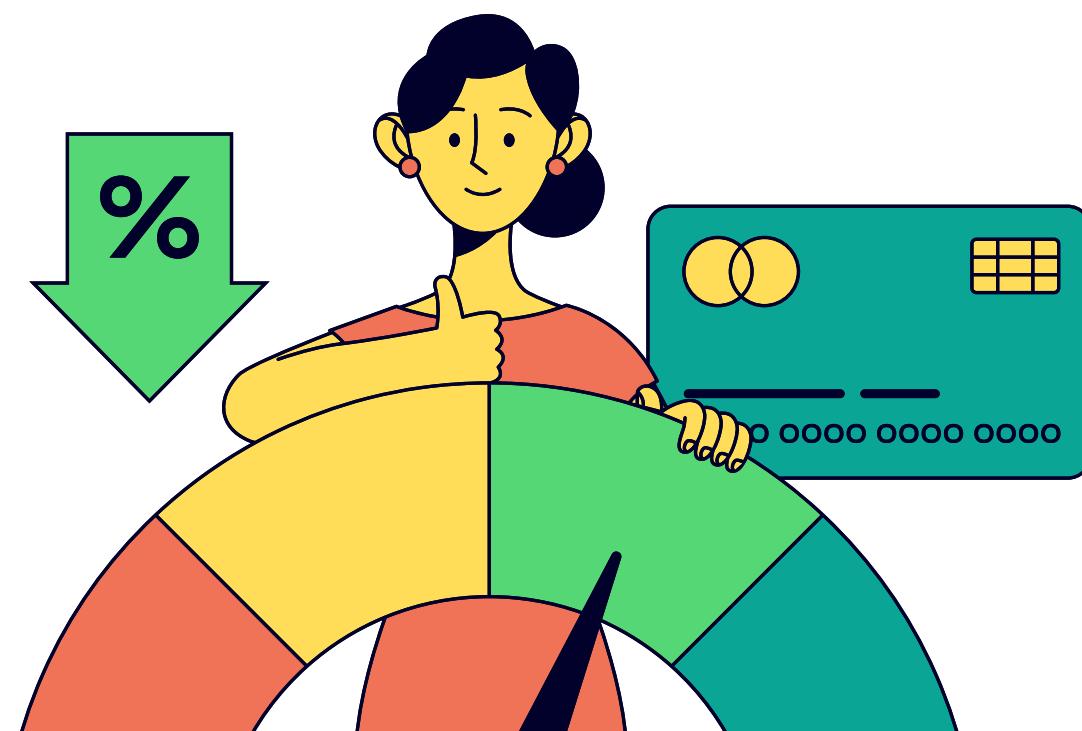
Cap: The maximum reduction is capped at 1.2%.

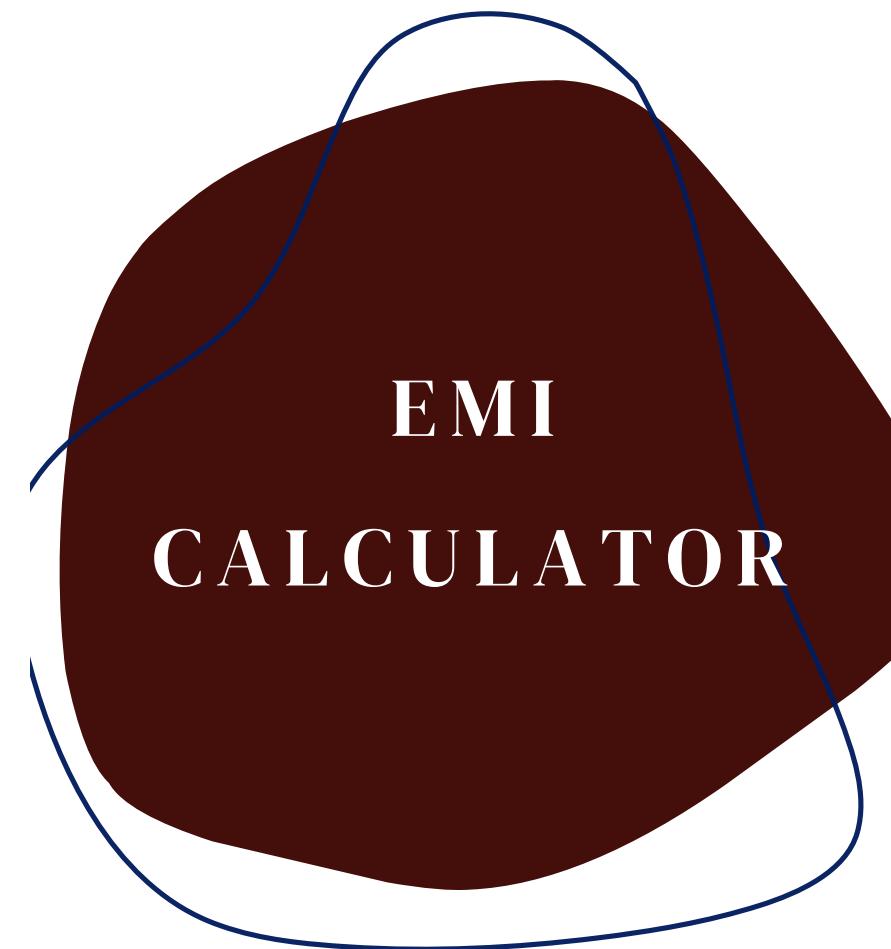
Tracking and Application:

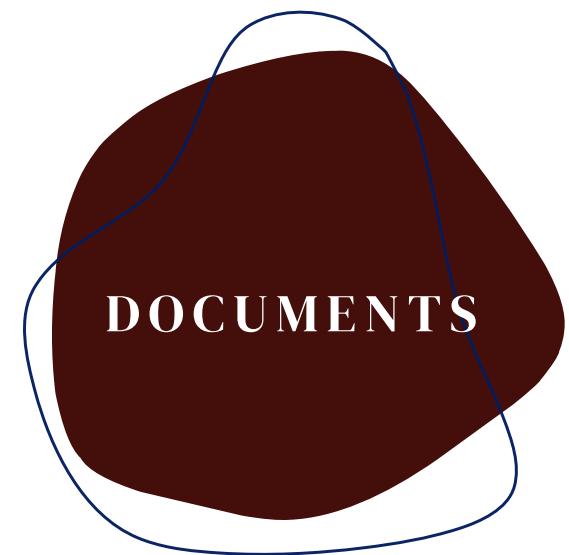
Initial Credit Score Assessment: The co-applicant's credit score will be assessed at the time of loan application.

Review Period: Credit scores will be re-evaluated at the start of the loan repayment period to determine any applicable adjustments based on improvements made.

By aligning interest rate reductions with credit score improvements and maintaining high standards, we aim to reward our borrowers while ensuring a sustainable loan program.







WHAT DO YOU NEED

FROM STUDENT

- KYC (Aadhaar Card/ Voter Card/ Driving License/ Passport)
- 2 Recent Passport Size Photographs
- Mark Sheets/Passing Certificates of 10TH, 12TH/Diploma& Degree
- PAN Card

FROM UNIVERSITY

- Admission Offer Letter
- Full Fee Structure of the Chosen Course
- Prospectus of the University
- Courses (Fee Payments Slips/ Registration Slip)
- Placement Record (previous year)
- UGC/AICTE Affiliation Letter/ Other Affiliation for Particular Courses

FROM PARENT/GUARDIAN

- KYC (Aadhaar Card/ Voter card/ Driving License/ Passport)
- 2 Recent Passport Size Photographs
- PAN Card
- Last 6-month bank account statement
- IT returns/ IT assessment order of previous 2 years/ Form no 16/16A/Salary Slip or Income Proof issued by Magistrate/Tehsildar
- A brief statement of assets & liabilities of co-borrower/ guarantor



CLIENT REVIEW

WHAT OUR CLIENT SAYS?

“

"Eden Capital's focus on rewarding good academic performance with better loan terms is a great incentive for students like me. The process was hassle-free, and their support team was always available to answer my questions."



Ayush Pujari

Client

“

"The customized loan options based on my gender and academic performance were unique and beneficial. Eden Capital offered competitive rates and flexible terms, which made it easier to manage my finances during my studies.""



Raizel Muntode

Client



GET IN TOUCH WITH US



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