

SUN NATIONAL BANK

Education Loan Product Guide

EDUCATION LOAN

Invest in Your Future - Study in India or Abroad

PRODUCT OVERVIEW

Sun National Bank Education Loan helps students pursue higher education in India or abroad. We cover tuition fees, hostel expenses, books, equipment, travel, and other education-related costs. With flexible repayment, moratorium period, and tax benefits under Section 80E, we make quality education accessible to all deserving students.

KEY FEATURES

Feature	Domestic Education	International Education
Loan Amount	Up to ■10 lakhs (no collateral) ■10-20 lakhs (with collateral)	Up to ■1.5 crores (collateral mandatory above ■7.5 lakhs)
Interest Rate	8.50% - 11.50% p.a.	9.50% - 12.50% p.a.
Tenure	Up to 15 years	Up to 15 years
Moratorium Period	Course duration + 1 year or 6 months after job (whichever earlier)	Course duration + 1 year or 6 months after job (whichever earlier)
Processing Fee	Nil for loans up to ■4 lakhs 1% + GST for above ■4 lakhs	1% of loan amount + GST
Margin Money	5% (up to ■4 lakhs) 15% (above ■4 lakhs)	15% for all loan amounts
Tax Benefit	Interest paid deductible u/s 80E for 8 years	Interest paid deductible u/s 80E for 8 years

COURSES & INSTITUTIONS COVERED

Graduate Courses: Engineering (B.Tech/B.E.), Medical (MBBS), Management (BBA), Commerce (B.Com), Science, Arts, Diploma courses.

Post-Graduate: M.Tech, MBA, MS, MCA, M.Com, M.Sc., Medical PG (MD/MS), CA, CFA, etc.

Professional Courses: Chartered Accountancy, Company Secretary, CFA, Actuarial Science, etc.

Competitive Exam Coaching: IIT-JEE, NEET, UPSC, CAT, GRE, GMAT, IELTS preparation courses (up to ■2 lakhs).

Foreign Education: Undergraduate and postgraduate courses in USA, UK, Canada, Australia, Germany, Singapore, etc.

Approved Institutions:

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- All IITs, NITs, IIMs, AIIMS, and other Central/State Government institutions
- UGC/AICTE/MCI/PCI approved colleges and universities in India
- Foreign universities listed in approved list (check with branch)
- Professional institutes like ICAI, ICSI, ICWAI, Actuarial Society

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EXPENSES COVERED UNDER LOAN

Expense Category	Coverage Details
Tuition Fees	Full tuition and development fees charged by institution
Hostel/Accommodation	Hostel fees or rent for off-campus accommodation (with rent agreement)
Books & Equipment	Cost of textbooks, library fees, study material, laptop/equipment (with bills)
Examination Fees	Semester/annual exam fees, project fees, thesis submission fees
Travel Expenses	For foreign education: Airfare (economy class) For domestic: Travel if required (limited)
Study Tour/Project	Educational tours, internship project costs (if part of curriculum)
Caution Deposit	Refundable deposits to college (to be refunded to bank)
Building Fund	One-time building/development fees if applicable
Insurance Premium	Mandatory student insurance, health insurance abroad
Cost of Living	For abroad: Living expenses as per norm (varies by country)

ELIGIBILITY CRITERIA

Criteria	Student	Co-Applicant (Parent/Guardian)
Age	18 years and above (at time of loan)	21 - 65 years
Academic Record	Admission confirmed in approved institution Good academic record (60%+ in qualifying exam)	Not applicable
Co-borrower	Mandatory requirement (Parent/Guardian/Spouse)	Income proof mandatory Good credit score required
Income Requirement	Not applicable for student	Minimum ₹2 lakhs p.a. for domestic ₹3 lakhs p.a. for international
Credit Score	Not applicable (Student may not have credit history)	Minimum 650 (700+ preferred)
Nationality	Indian citizen	Indian citizen or NRI parent

DOCUMENTS REQUIRED

Student Documents:

- Identity Proof: Aadhaar Card, PAN Card, Passport (for foreign education)
- Admission Proof: Admission letter/offer letter from institution (must be unconditional)
- Academic Records: 10th, 12th, Graduation mark sheets and certificates
- Entrance Exam Scorecard: JEE, NEET, CAT, GRE, GMAT, IELTS, etc. (if applicable)
- Fee Structure: Official fee schedule from institution for entire course duration
- Scholarship Letter: If any scholarship sanctioned, provide approval letter
- Passport: For international education (mandatory)

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- Visa Documents: I-20 (USA), CAS (UK), COE (Australia), etc. as applicable

Co-Applicant (Parent/Guardian) Documents:

- Identity & Address: Aadhaar, PAN Card (both mandatory)
- Income Proof: Last 6 months salary slips (salaried) or last 2 years ITR (self-employed)
- Bank Statements: Last 6 months for salaried, 12 months for self-employed
- Employment Proof: Employment certificate, appointment letter
- Property Documents: If offering collateral (property papers, valuation report)
- Relationship Proof: Birth certificate, Aadhaar, or any document showing relationship with student

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REPAYMENT STRUCTURE & MORATORIUM

Education loan repayment is designed to be student-friendly with moratorium period and flexible options:

Phase 1 - Study Period (Course Duration):

During this phase, EMI payment is not required. However, you may choose to pay interest-only EMI to reduce overall interest burden (optional).

Phase 2 - Moratorium Period:

After course completion, you get moratorium of course duration + 1 year or 6 months after getting job (whichever is earlier). During this period, no EMI payment required, but interest gets added to principal (compounding).

Phase 3 - Repayment Period:

Regular EMI starts after moratorium ends. Tenure can be up to 15 years. You can choose monthly, quarterly, or bullet repayment options.

Special Options:

- Simple Interest during Study:** Option to pay interest-only EMI during study to save on total interest
- Partial Payment:** Make lump sum prepayments anytime without charges to reduce principal
- Step-up EMI:** Start with lower EMI and increase annually as income grows
- Flexible Tenure:** Choose repayment tenure from 5 to 15 years based on comfort

EMI CALCULATION EXAMPLES

(Assuming moratorium interest is capitalized and EMI starts after course completion + 1 year)

Course	Total Loan	Rate	Course+Moratorium	Repay Tenure	Monthly EMI
B.Tech (India)	₹8,00,000	9.00%	4+1 = 5 years	10 years	₹13,927
MBA (India)	₹15,00,000	9.50%	2+1 = 3 years	10 years	₹26,199
MS (USA)	₹50,00,000	10.50%	2+1 = 3 years	15 years	₹71,955
MBBS (India)	₹25,00,000	8.75%	5.5+1 = 6.5 years	15 years	₹43,462

INCOME TAX BENEFITS (Section 80E)

- Deduction on Interest:** Interest paid on education loan is fully deductible from taxable income under Section 80E.
- Duration:** Benefit available for maximum 8 years starting from year of first EMI payment.

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- **No Upper Limit:** There is NO MAXIMUM LIMIT on deduction amount - entire interest paid is deductible.
- **Who Can Claim:** Loan must be taken by individual (parent/student). HUF or companies cannot claim.
- **Course Requirement:** Loan must be for higher education (after 12th standard) for self, spouse, or children.
- **Lender Requirement:** Loan must be from bank, financial institution, or approved charity. Not from relatives.
- **Certificate Required:** Bank will provide interest certificate annually for IT return filing.

Example: If you paid ₹1,50,000 as interest in a year and you are in 30% tax bracket, you save ₹45,000 in tax ($₹1,50,000 \times 30\% = ₹45,000$). This benefit is available for 8 consecutive assessment years.

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FEES AND CHARGES

Charge Type	Domestic	International
Processing Fee	Nil (up to ₹4 lakhs) 1% + GST (above ₹4 lakhs)	1% of loan amount + GST
Prepayment/Foreclosure	Nil - No charges for prepayment anytime	Nil - No charges for prepayment anytime
Late Payment Fee	₹500 or 2% per month (whichever higher)	₹500 or 2% per month (whichever higher) on overdue amount
Cheque/NACH Bounce	₹500 per bounce	₹500 per bounce
Loan Restructuring Fee	₹1,000 + GST (if tenure modified)	₹1,000 + GST (if tenure modified)
Duplicate Certificate	₹250 + GST	₹250 + GST
Collateral Valuation	As per actual (₹500 to ₹3,000)	As per actual (₹2,000 to ₹5,000)

FREQUENTLY ASKED QUESTIONS

Q1: Can I get loan without collateral?

Yes, for loans up to ₹7.5 lakhs, no collateral required. Third-party guarantee may be needed. Above ₹7.5 lakhs, collateral (property/FD/LIC) is mandatory.

Q2: What if I don't get admission? Will fees be refunded?

Yes, processing fee is refunded if admission is not confirmed. Loan is sanctioned only after unconditional admission offer is received.

Q3: Can I change institution after loan is approved?

Yes, but you must inform bank immediately. New institution must be approved and loan may be re-evaluated based on new course fee.

Q4: Who will receive the loan amount - student or institution?

Loan is disbursed directly to institution for tuition fees. For other expenses like hostel, books, it may be given to student account.

Q5: When do I start paying EMI?

EMI starts after moratorium period (course + 1 year or 6 months after job). However, you can voluntarily start paying interest during study to save total cost.

Q6: What if I get scholarship later?

Inform bank immediately. Scholarship amount will be adjusted and loan amount may be reduced. This helps lower your EMI burden.

Q7: Can parent claim tax benefit if student is loan borrower?

Tax benefit under 80E is available only to the person who has taken loan in their name. If loan is in student's name, only student can claim (once they start earning).

Q8: What if I can't get job after course completion?

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Inform bank immediately. We may extend moratorium by 6 months to 1 year or restructure loan. Communication is key - don't default silently.

Q9: Is loan available for distance learning or online courses?

Loan is primarily for full-time regular courses. Some online/distance courses from reputed institutions may be considered on case-to-case basis.

Q10: What documents needed for foreign university?

Unconditional admission offer, I-20/CAS/COE, IELTS/TOEFL/GRE scores, passport, visa application, fee structure for entire course, and parent's financial documents.

IMPORTANT POINTS TO REMEMBER

- Co-borrower (parent/guardian) is mandatory for all education loans.
- Admission must be to UGC/AICTE/MCI approved institutions or recognized foreign universities.
- Interest starts accruing from date of first disbursal, not from EMI start date.
- During moratorium, interest is compounded and added to principal if not paid.
- Paying interest during study period significantly reduces total loan cost.
- For foreign education, loan covers tuition + living expenses as per country norms.
- Margin money (5-15%) must be paid by student/parent - not covered in loan.
- Loan can be disbursed in multiple installments based on semester/year fee payment schedule.
- Prepayment is encouraged - no charges. Helps reduce interest burden substantially.
- Maintain good credit score by timely EMI - impacts future loans (home, car, etc.).

FOR EDUCATION LOAN ASSISTANCE

Customer Care: 1800-123-4567 | 080-1234-5678

Email: educationloans@sunnationalbank.in

Website: www.sunnationalbank.in/education-loan

WhatsApp: +91-98765-43210

Invest in knowledge - it pays the best interest!