

e-Circular

PBU-PERSONAL LOANS.

Sl. No. : 872/2009 - 10

Circular No. : NBG/PBU/PL-SCHOLAR/19/2009 - 10

Wednesday, March 31, 2010.

The Chief General Manager,
State Bank of India,
Local Head Office,
All Circles

Circular No: PB/PL/19

30th March 2010

Dear Sir,

PERSONAL BANKING ADVANCES

SBI SCHOLAR LOAN SCHEME

REVIEW, MODIFICATIONS AND INCLUSION OF NEW INSTITUTES

Based upon the review/ suggestions/ recommendations received from the circles, the competent authority has reviewed the scheme and approved the following modifications and inclusion of new institutes under SBI Scholar Loan scheme:

Parameter	Existing Instructions	Modifications
LOAN AMOUNT	Upto Rs. 15 lacs (61 institutes)	List 'A' – 7 IIMs Maximum loan amount Rs. 15 lacs List 'B' – The remaining 54 institutes from the existing list Maximum loan amount Rs. 10 lacs List 'C' – New 39 institutes Maximum loan amount Rs. 7.50 lacs (Category-wise detailed list of all 100 institutes covered under the scheme is mentioned in Annexure-I)
CO-BORROWER	The loan is sanctioned in the individual name of the student only. Parent/guardian as co-borrower at the discretion of the sanctioning authority.	The loan would be sanctioned jointly in the name of the student and his parent/ guardian. In case of married person, co-obligator can either be spouse or parent/parent-in-law. Parental co-obligation can also be substituted by a suitable third party guarantee

SANCTION & DISBURSEMENT	At campus branch or a branch nearer to the permanent residence of the student	At Campus/ Branch designated by Circle near the campus. However, after the completion of the studies and if the student desires, the loan account can be transferred to a branch closer to the place of co-borrower and preferably which has made KYC verification at the time of availing loan for tracking purposes
COURSES COVERED	Regular full time Degree/Diploma Courses and not certificate/part-time courses, through entrance test/ selection process	Regular full time Degree/Diploma Courses and not certificate/part-time courses, through entrance test/ selection process. Full time Executive Management Courses like PGPX (for IIMs) are also covered

Other changes are mentioned in Annexure-II.

2. Identification of Branches

A list of identified branches for the existing institutes is mentioned in the annexure-I. Some circles have not identified the campus/ designated branches for the few institutes already covered under Scholar Loan Scheme. We request Circles to identify a campus/ designated branch and advise us. In case there is no branch on the campus, the circles may identify a designated branch preferably covered under Super Circle of Excellence.

3. Classification under Priority Sector Lending

As per RBI instructions, education loans upto Rs 10 lacs for studies in India are classified under Priority Sector Lending.

4. Maximum Business

With the advent of the academic session 2010-11, the branches should book maximum business from these institutes, as the loans to the students from these institutes are granted at relaxed rates and terms.

5. Please arrange accordingly.

Yours faithfully,

General Manager
(Personal Banking)

Encl: Annexure-I and Annexure-II

Annexure-I

S. No.	INSTITUTES UNDER SBI SCHOLAR LOAN SCHEME	Circle	Campus/ Designated Branch
	LIST 'A' (Max. loan amt Rs. 15 lacs)		
1	Indian Institute of Management (IIM), Ahmedabad	Ahmedabad	IIM Branch, Ahmedabad
2	Indian Institute of Management (IIM), Bangalore	Bangalore	Bannerghatta Road Branch, Bangalore
3	Indian Institute of Management (IIM), Kolkata	Kolkata	IIM Joka Branch, Kolkata
4	Indian Institute of Management (IIM), Indore	Bhopal	CAT Sukhniwas Branch, Indore
5	Indian Institute of Management (IIM), Lucknow	Lucknow	Behta Saboli Branch, Lucknow
6	Indian Institute of Management (IIM), Kozikode	Kerala	Calicut REC Branch, Kozikhode
7	Indian Institute of Management (IIM), Shillong (new)	Guwahati	Laitumkhras Branch, Shillong
	LIST 'B' (Max. loan amt. Rs. 10 lacs)		
1	Indian Institute of Technology (IIT), Mumbai	Mumbai	IIT Powai Branch, Mumbai
2	Indian Institute of Technology (IIT), Kanpur	Patna	IIT Kanpur Branch, Kanpur
3	Indian Institute of Technology (IIT), Chennai	Chennai	IIT Campus Branch, Chennai
4	Indian Institute of Technology (IIT), Kharagpur	Kolkata	Kharagpur Branch, West Bengal
5	Indian Institute of Technology (IIT), Guwahati	Guwahati	ICD, Amingaon Branch, Guwahati
6	Indian Institute of Technology (IIT), Delhi	Delhi	IIT Hauz Khas Branch, Delhi
7	Indian Institute of Technology (IIT), Roorkee	Delhi	IIT Roorkee Branch, Roorkee
8	Indian Institute of Technology (IIT), Gandhinagar (new)	Ahmedabad	Not identified
9	Indian Institute of Technology (IIT), Roopnagar (new)	Chandigarh	Not identified
10	Indian Institute of Technology (IIT), Rajasthan (new)	Delhi	Not identified
11	Indian Institute of Technology (IIT), Hyderabad (new)	Hyderabad	Not identified
12	Indian Institute of Technology (IIT), Patna (new)	Patna	Not identified
13	Indian Institute of Technology (IIT), Bhubaneswar (new)	Bhubaneswar	Not identified
14	Indian Institute of Technology (IIT), Mandi (new)	Chandigarh	Not identified
15	Indian Institute of Technology (IIT), Indore (new)	Bhopal	Not identified
16	IT BHU, Banaras (to be converted into IIT Varanasi)	Lucknow	BHU Branch, Varanasi

17	Faculty of Management Studies (FMS), Delhi	Delhi	Delhi University Branch, Delhi
18	IIT-SJSOM, Mumbai	Mumbai	IIT Powai Branch, Mumbai
19	Indian Institute of Foreign Trade, Delhi	Delhi	NCERT Branch, Delhi
20	Institute of Management Technology (IMT), Ghaziabad	Delhi	Ghaziabad Branch, Ghaziabad
21	Dept of Management Studies, IIT, Delhi	Delhi	IIT, Hauz Khas Branch, New Delhi
22	Narsee Monjee Institute of Management & Higher Studies (NMIMS), Mumbai	Mumbai	PBB Branch, Juhu
23	Jamnalal Bajaj Institute of Management Studies (JBIMS), Mumbai	Mumbai	PBB Churchgate Branch, Mumbai
24	Nirma Institute of Management, Ahmedabad	Ahmedabad	Gujarat High Court Branch, Ahmedabad
25	S P Jain Institute of Management and Research (SPJIMR), Mumbai	Mumbai	Andheri West Branch, Mumbai
26	Xavier Institute of Management (XIM), Bhubaneswar	Bhubaneswar	Fortune Tower Branch, Bhubaneswar
27	Symbiosis Institute of Business Management (SIBM), Pune	Mumbai	MIDC Hinjwadi
28	Xavier Labour Relations Institute (XLRI), Jamshedpur	Patna	Jamshedpur Branch, Jamshedpur
29	Management Development Institute (MDI), Gurgaon	Delhi	Mehrauli Road Branch, Haryana
30	National Institute of Industrial training (NITIE), Mumbai	Mumbai	NITIE Campus Branch, Mumbai
31	Dept of Industrial & Management Engineering, IIT, Kanpur	Patna	IIT Kanpur Branch, Kanpur
32	Marine Engineering College, Kolkata	Kolkata	Alipore Branch, Kolkata
33	Delhi College of Engineering (DCE), Delhi	Delhi	Samaypur Branch, Delhi
34	Birla Institute of Technology & Science (BITS), Pilani	Delhi	Chirava Branch, Delhi
35	Anna University, Chennai	Chennai	College Campus Branch, Chennai
36	National Institute of Design (NID), Ahmedabad	Ahmedabad	Paldi Branch, Ahmedabad
37	Christian Medical College (CMC), Vellore	Chennai	Vellore Town Branch, Vellore
38	Bangalore Medical College (BMC), Bangalore	Bangalore	Fort Branch, Bangalore
39	Jawaharlal Institute of Post-Graduate Medical Education and Research (JIPMER), Pondicherry	Chennai	JIPMER Campus Branch, Pondicherry
40	Madras Medical College (MMC), Chennai	Chennai	Park Town Branch, Chennai
41	Grant Medical College (GMC), Mumbai	Mumbai	Byculla Branch, Mumbai
42	Armed Forces Medical College (AFMC), Pune	Mumbai	Golibar Maidan Branch, Pune
43	King Edward Medical College (KEMC), Mumbai	Mumbai	Parel Branch, Mumbai

44	Maulana Azad Medical College (MAMC), Delhi	Delhi	IP Estate Branch, New Delhi
45	All India Institute of Medical Sciences (AIIMS), Delhi	Delhi	AIIMS Campus Branch, New Delhi
46	Lady Hardinge Medical College (LHMC), Delhi	Delhi	Cannaught Circus Branch, New Delhi
47	Kasturba Medical College (KMC), Manipal	Bangalore	Manipal Branch
48	Post Graduate Institute of Medical education & Research (PGIMER), Chandigarh	Chandigarh	Not identified
49	Indian Institute of Forest Management (IIFM), Bhopal	Bhopal	TT Nagar Branch, Bhopal
50	Mudra Institute of Communication (MICA), Ahmedabad	Ahmedabad	Bopal Branch, Ahmedabad
51	Indian Institute of Science (IISc), Bangalore	Bangalore	IISc Branch, Bangalore
52	Institute of Rural Management, Anand (IRMA)	Ahmedabad	Anand Branch, Anand
53	Tata Institute of Social Sciences (TISS), Mumbai	Mumbai	Deonar Branch, Mumbai
54	Indian School of Mines (ISM), Dhanbad	Patna	ISM Branch, Dhanbad
LIST 'C' (Max. loan amt Rs. 7.5 lacs)			
1	National Institute of Technology (NIT), Warangal	Hyderabad	To be identified
2	National Institute of Technology (NIT), Tiruchirapalli	Chennai	To be identified
3	National Institute of Technology (NIT), Surathkal	Bangalore	To be identified
4	National Institute of Technology (NIT), Raipur	Bhopal	To be identified
5	National Institute of Technology (NIT), Rourkela	Bhubaneswar	To be identified
6	National Institute of Technology (NIT), Kurukshetra	Delhi	To be identified
7	National Institute of Technology (NIT), Calicut	Kerala	To be identified
8	National Institute of Technology (NIT), Durgapur	Kolkata	To be identified
9	National Institute of Technology (NIT), Jamshedpur	Patna	To be identified
10	National Institute of Technology (NIT), Patna	Patna	To be identified
11	National Institute of Technology (NIT), Silchar	North-East	To be identified
12	National Institute of Technology (NIT), Agartala	North-East	To be identified
13	National Institute of Technology (NIT), Hamirpur	Chandigarh	To be identified
14	National Institute of Technology (NIT), Srinagar	Chandigarh	To be identified
15	Malaviya National Institute of Technology (NIT), Jaipur	Delhi	To be identified
16	Maulana Azad National Institute of Technology (NIT), Bhopal	Bhopal	To be identified
17	Sardar Vallabh Bhai National Institute of Technology (NIT), Surat	Ahmedabad	To be identified

18	Motilal Nehru National Institute of Technology (NIT), Allahabad	Lucknow	To be identified
19	Dr. B R Ambedkar National Institute of Technology (NIT), Jalandhar	Chandigarh	To be identified
20	Visvesvaraya National Institute of Technology (NIT), Nagpur	Mumbai	To be identified
21	Birla Institute of Technology & Science (BITS), Hyderabad Campus	Hyderabad	To be identified
22	Birla Institute of Technology & Science (BITS), Goa Campus	Mumbai	To be identified
23	St. John's Medical College, Bangalore	Bangalore	To be identified
24	Christian Medical College (CMC), Ludhiana	Chandigarh	To be identified
25	Dayanand Medical College (DMC), Ludhiana	Chandigarh	To be identified
26	Amrita School of Medicine (ASM), Kerala	Kerala	To be identified
27	Netaji Subash Institute Of Technology (NSIT), Delhi	Delhi	To be identified
28	Dhirubhai Ambani Institute of Information & Communication Technology (DAIICT), Gandhinagar	Ahmedabad	To be identified
29	University College of Engineering (UCE), Burla	Bhubaneswar	To be identified
30	LN Mittal Institute of Technology (LNMIT), Jaipur	Delhi	To be identified
31	Jadavpur University, Kolkata	Kolkata	To be identified
32	Veer mata Jeejabai Technical Institute (VJTI), Mumbai	Mumbai	To be identified
33	College of Engineering , Pune	Mumbai	To be identified
34	University Institute of Chemical Technology (UICT), Mumbai	Mumbai	To be identified
35	Centre for Environmental Planning & Technology (CEPT), Ahmedabad	Ahmedabad	To be identified
36	School of Planning & Architecture, New Delhi	Delhi	To be identified
37	National Law School of India University (NLSIU), Bangalore	Bangalore	To be identified
38	National University of Juridical Sciences (NUJS), Kolkata	Kolkata	To be identified
39	Loyola Institute of Business Administration (LIBA), Chennai	Chennai	To be identified

Annexure –II**SBI SCHOLAR LOAN SCHEME**

Parameter	Extant Instructions	Proposed Instructions
Purpose	Loans will be granted to deserving/meritorious students for pursuing full time courses in India at selected premier and reputed institutions identified by the Bank. The list will be revised periodically	No change
Eligibility	The applicant should be an Indian National and should have secured admission to full time professional/ technical courses in selected institutes	No change
Eligible Expenses	<ul style="list-style-type: none"> • Fee payable to college/ school/ hostel • Examination/ Library/ Laboratory fees • Purchase of books/ equipments/ instruments/ uniforms • Caution deposit/ building fund/ refundable deposit supported by institution bills/ receipts [not to exceed 10% of tuition fees for the entire course] • Travel expenses • Purchase of computers, if essential for completion of course • Any other expense required to complete the course like study tours, visits to foreign universities in exchange programs, project work, thesis, etc 	No change
Type of Loan	The loan will be sanctioned as a term loan	No change
Institutes & loan amount	Presently 61 Maximum loan amount Rs.15 lacs	List 'A' – 7 IIMs Maximum loan amount Rs. 15 lacs List 'B' – The remaining 54 from the existing list Maximum loan amount Rs. 10 lacs List 'C' – New 39 institutes proposed to be added Maximum loan amount Rs. 7.50 lacs (Annexure-I)
Courses covered	Regular full time Degree/Diploma Courses and not certificate/part-time courses, through entrance test/ selection process	Regular full time Degree/Diploma Courses and not certificate/part-time courses, through entrance test/ selection process. In case of IIMs full time Executive

		Management Courses like PGPX are covered
Rate of Interest	<p>A) 1.50% below SBAR i.e. 10.25% at present</p> <p>B) i) Simple Interest to be charged during moratorium/repayment holiday ii) Interest concession of 1% for the entire period of loan if the interest is serviced during course period and moratorium iii) 0.50% concession in interest for girl student iv) Penal interest @ 2% is to be charged for loans above Rs. 4 lacs for the overdue amount and overdue period</p>	No change
Margin	<ul style="list-style-type: none"> • Upto Rs. 4 lacs: Nil • Above Rs. 4 lacs: 5% • Scholarship/ assistantship to be included in the margin • Margin may be brought in on year to year basis as and when disbursements are made on a pro-rata basis 	No change
Sanction & Disbursement	At campus branch or a branch nearer to the permanent residence of the student	At Campus/ Branch designated by Circle near the campus. However, after the completion of the studies and if the student desires, the loan account can be transferred to a branch closer to the place of co-borrower and preferably which has made KYC verification at the time of availing loan for tracking purposes
Co-borrower	The loan is sanctioned in the individual name of the student only. Parent/guardian as co-borrower at the discretion of the sanctioning authority.	The loan would be sanctioned jointly in the name of the student and his parent/guardian. In case of married person, co-obligator can either be spouse or parent/parent-in-law. Parental co-obligation can also be substituted by a suitable third party guarantee
Security	No security	The loan would be sanctioned jointly in the name of the student and his parent/guardian. In case of married person, co-obligator can either be spouse or parent/parent-in-law. Parental co-obligation can also be substituted by a suitable third party guarantee
Processing Fee	Nil	No change
Opinion Report	Opinion Report on student will not be compiled as we are relying on the student getting a favourable placement and repaying the loan out of his	No change

	future income	
Moratorium Period	Up to 6 months after completing the course	No change
Repayment	<ul style="list-style-type: none"> • Maximum 5-7 years after commencement of repayment • Extension of time for completion of course may be permitted for maximum period of 2 years if the student is not able to complete course within scheduled time • The interest accrued during repayment holiday period is to be added to the principal and repayment in Equated Monthly Installments (EMI) fixed 	No change
Sanctioning of Loan applications	Disposal norm is of two to three days, after submission of application, complete in all respects, for completing formalities and disbursement of the loan. Circle authorities are requested to depute dedicated teams to these institutes during the relevant period for assisting students in completion of formalities for the loans	No change
ATM/ Internet Banking Facility	Any student obtaining an education loan from us has to preferably open a savings bank account with the respective branch. He will be given a minimum period of 3 months to build a minimum balance of Rs. 1000. An ATM-cum-Debit card and Internet Banking facility would be immediately provided to him	An ATM-cum-Debit card and Internet Banking facility will be immediately provided to all the students applying for this loan. However, there would be no such condition of building certain balance within a mentioned period of time
Option of transferring the account after the course-completion	At the end of education term, the branch manager will give the borrower an option to transfer his account and loan to a location convenient to him (e.g. the city where he is going to be posted for work). This will ensure that the student continues to use his Savings Bank Account and it becomes easier for the Branch Manager of the transferee branch to follow up in case there is any irregularity in the loan account. However, this is an option and the student may choose to leave the account in the original branch	After the completion of the studies and if the student desires, the loan account can be transferred to a branch closer to the place of co-borrower and preferably which has made KYC verification at the time of availing loan for tracking purposes

KYC norms	Education loan to students, who have secured admission to the selected institutes, is sanctioned and disbursed from a branch which is conveniently located on-campus or near the institute. Pre-sanction check of the student's identity & address is done by the branch near the permanent residence of the student on the request of the branch which is disbursing the loan	No change
Approval letters to the students	Since no tangible security or guarantee is obtained, a letter conveying the sanction of loan i.e., disbursement of loan subject to completion of formalities, will be sent to all the students who secure admission to these institutes by the identified branches. An attractive brochure containing the salient features of the scheme should be annexed to such approval letters	In principle sanction letters may be issued subject to producing the documents as the loans will be secured by co-borrower/third-party guarantee
Relationship Building Activities	The Branch Managers of the identified branches will be advised to initiate suitable relationship building activities with the institute. They should personally visit campuses and meet the students during their spare time to convince the students to take loans from SBI	No change
Sponsorship to institutes	The circle CGM may grant sponsorship of Rs. 2 lacs per annum for the main cultural event/ college magazine of a particular institute subject to the following conditions: <ul style="list-style-type: none"> • Minimum 40% of the batch size of the institute should take Education loan from SBI • The institute has to mention SBI name and logo as the Preferred Financer on their application brochure, advertisements, web site, etc. The institute should insert SBI Education Loan brochures along with their application forms 	The circle CGM may grant sponsorship of Rs. 3 lacs per annum for the main cultural event/placement sessions/ college magazine of a particular institute subject to the following conditions: <ul style="list-style-type: none"> • Minimum 40% of the batch size of the institute should take Education loan from SBI • The institute has to mention SBI name and logo as the Preferred Financer on their application brochure, advertisements, web site, etc. The institute should insert SBI Education Loan brochures along with their application forms
Second Education Loan	If a student approaches the bank for a loan for further studies, the same can be granted to him/ her subject to the following conditions: <ul style="list-style-type: none"> • The combined loan amount 	If a student approaches the bank for a loan for further studies, the same can be granted to him/ her subject to the following conditions: <ul style="list-style-type: none"> • The combined loan amount

	<p>should not exceed the maximum permissible loan amount under SBI Scholar Loan Scheme</p> <ul style="list-style-type: none"> • The second education loan may be preferably given from the same branch as the first loan. However, if the student finds this inconvenient, he may request for the second loan from a branch convenient to him and get the first loan transferred to that branch • The student will be given a maximum period of seven years after completing the second course to repay both the loans 	<p>should not exceed the maximum permissible loan amount under SBI Scholar Loan Scheme</p> <ul style="list-style-type: none"> • The second education loan may be preferably given from the same branch as the first loan. However, if the student finds this inconvenient, he may request for the second loan from a branch closer to the place of co-borrower and preferably which has made KYC verification at the time of availing loan and get the first loan transferred to that branch • The student will be given a maximum period of seven years after completing the second course to repay both the loans • If the second loan is availed for pursuing studies from an institute covered under SBI Scholar Scheme, combined loan amount would be maximum permissible for the second institute under Scholar Loan Scheme. • If the second loan taken for pursuing studies is not covered under SBI Scholar Loan Scheme, then the loan will be considered under SBI Student Loan Scheme subject to the terms and conditions applicable for the combined loan amount under SBI Student Loan Scheme. However, for the first loan, interest rate applicable to SBI Scholar Loan would continue and for the second loan interest rate applicable to Student Loan should be charged
Loans for further studies abroad	<p>This scheme does not cover Education Loans to students going abroad for pursuing education. Such students may be granted Education Loans as per the provisions of our Education Loan Scheme. If a student who has been granted an Education Loan under SBI Scholar Loan scheme approaches us for a second Education Loan for pursuing studies abroad, the same may be granted to him if he furnishes adequate tangible collateral</p>	<ul style="list-style-type: none"> • If a student who has been granted an education loan under SBI Scholar Loan scheme approaches us for a second Education Loan for pursuing studies abroad, the same may be granted to him if he furnishes adequate tangible collateral security for the combined amount of the loan, and as per the provisions of our SBI Student Loan Scheme. • However, for the first loan interest rate applicable to

	security for the second loan, and as per the provisions of our Education Loan Scheme.	SBI Scholar Loan would continue and for the second loan interest rate applicable to Student Loan should be charged.
--	---	---