



ESTD: 1949  
gcubltd@guntururbanbank.org

Head Office : (0863) 2354847

**THE GUNTUR CO-OPERATIVE URBAN BANK LTD.**  
(Regd. Under A.P. Mutually Aided Co-op. Societies Act. 1995)  
Administrative Office ,3/2 BRODIPET,GUNTUR

Cir.No: 36/2021-22

Date : 08.11.2021

**CIRCULAR TO ALL BRANCHES**

**NEW PRODUCT : 3032**  
**EDUCATION LOAN**

To have diversified products, to increase our exposure to priority sector advances and to meet competition, a new product has been designed to meet the financial needs of the students in pursuing higher studies in India and in Abroad.

Priority Sector : Education loan upto Rs. 20 lakhs will be considered as priority sector advances.

**Salient Features :**

Borrower eligibility	1. Borrower should be an Indian National ( for studies in India & Abroad) 2. Borrower should have secured admission to a higher education course in recognised institutions in India or Abroad through Entrance Test/Merit Based Selection process after completion of 10 + 2 or equivalent
Co-Borrower eligibility	1. Co-borrower should be a resident Indian. 2. Co-borrower should be parent/natural guardian of the student borrower. 3. In case of married person, co-obligator can be spouse or the parent(s)/ parents-in law. 4. Wherever parents/guardians are not there, grandparent as co-borrower can be considered for the loan taking into account their network.
CIC / CIBIL Score	Borrower/co-borrower/guarantor should not have any adverse credit history.  In case of secured loans, CIBIL score of either -1 or more than 650 can be considered.
Eligible courses	For studies in India :  1. B. Tech/ B.E/ B. Pharm/BDS courses offered by recognised universities ( AICTE recognition)



		For Studies Abroad :  1. M.S/ MBA/ equivalent to MS/MBA in a University Abroad
	Expenses considered for the loan	<ol style="list-style-type: none"> <li>1. Fee payable to the college/hostel ( including boarding &amp; lodging)</li> <li>2. In case of admission under management quota, fees as approved by the State Government/Government approved regulatory body for payment seats will be taken into consideration.</li> <li>3. For studies abroad, living expenses are mentioned in the admission letter issued by the university/institute or the details can be downloaded from the website of the university.</li> <li>4. Examination/Library/Laboratory fee</li> <li>5. Travel expenses/passage money for studies abroad</li> <li>6. Purchase of books/equipments/instruments /uniforms / computer at reasonable cost, if required for completion of the course</li> <li>7. Caution deposit, Building fund/refundable deposit supported by bills issued by the institute with a cap of 10 % of the total tuition fees for the entire course.</li> <li>8. Premium on Insurance policy ( Term policy) covering the loan amount and estimated accrued interest till the commencement of the repayment programme.</li> </ol>
	Loan amount	Loans for studies in India - Rs. 10.00 lakhs ( other than Medical courses)  Loans for studies Abroad – Rs. 30 lacs ( Higher amount can be considered by the Managing Committee of the Board)
	Margins	20% for studies in India 20% for studies Abroad
	Interest Rate	12 % p.a.
	Interest during Moratorium period	Interest debited to the account during the moratorium period has to be Paid as and when debited.
	Moratorium Period	Period of course + one year or six months after getting employment ( whichever is earlier)
	Repayment	Repayment starts after twelve months after completion of course or six months of getting an employment whichever is earlier. Repayable (EMIs) in 84 (eighty four) months.
	Security	Co-obligation of the parent/guardian along with Realisable value of the collateral security should 200% of the loan amount. Or Liquid collaterals acceptable to the bank with realisable/surrender value covering 100 % of the loan amount



	Execution of documents	The documents should be executed by both the student and the parent/guardian as Co-Borrower.  In case 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"

	Disbursement	Directly to the Institute where the student borrower is pursuing studies.
	Processing charges	1 % of the loan amount
	Share capital	2.5% of the loan amount subject to a maximum of Rs. 10000/- ( as per byelaws)
	Other conditions	<ol style="list-style-type: none"> <li>1. A Joint SB account in the name of student-borrower and co-borrower to be opened.</li> <li>2. Asset and Liability statement should be submitted to the branch for compiling opinion report.</li> </ol>
	Documents	<ol style="list-style-type: none"> <li>1. Application for sanction of Education Loan</li> <li>2. Agreement from the Student Borrower</li> <li>3. Agreement from parent/guardian/guarantor</li> <li>4. Sanction letter</li> </ol>

  
**CHIEF EXECUTIVE OFFICER**

