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GIST
**NHFDC Scheme for Concessional
Education Loans to Persons with
Disabilities (PwDs) - Clarifications**

TO ALL OFFICES

RETAIL BANKING DIVISION (ADVANCES) CIRCULAR No. 18/2017

**NHFDC Scheme for Concessional Education Loans to Persons with Disabilities
(PwDs) - Clarifications**

Detailed guidelines for extending concessional education loans to Persons with Disabilities (PwDs) have been issued vide RAD Circular No. 32/2013 dated 24.07.2013 and subsequent circulars issued on the subject from time to time.

1.1 Bank has entered into a Memorandum of Agreement (MOA) on 03.06.2013 for availing 100% refinance from National Handicapped Finance & Development Corporation (NHFDC) for extending concessional education loans to persons with Disabilities under the bank's education loan schemes.

2. Based on references received from field functionaries to include PNB Pratibha, PNB Udaan and other education schemes under the concessional education loan scheme to Persons with Disabilities (PwDs), **it is clarified that the existing guidelines mentioned as per RAD Circular 32/2013 dated 24.07.2013 for providing concessional education loan to Persons with Disability (PwDs) under refinance scheme of NHFDC are applicable to all the existing education loan schemes of the bank , subject to the following stipulations:**

2.1 **'Student Eligibility'** - Loan shall be available to any Student with **40% or more disability** on the basis of Disability certificate issued by authorities empowered to issue such certificate in terms of Statute / notifications / Govt. orders of Central / State / UT Government.

2.2 **'Expenses considered for Loan'** - Cost of 2-wheeler upto Rs.50,000/- shall be considered within the overall ceiling of loan amount.

2.3 **'Rate of Interest'** – Rate of Interest shall be 4.00% with an additional rebate of 0.50% for women beneficiaries, i.e. 3.50%. {In case of default, normal rate of interest (plus penal interest) shall be charged for the period of default}.

2.3.1 No further concession in interest shall be available to any category of borrowers for regular servicing of interest during moratorium period.

2.4 **'Quantum of Finance'** Need Based Finance to meet the expenses (taking into account the prescribed Margin), subject to the following ceilings:

Studies in India - Max. Rs.10 lakh, Studies abroad - Max. Rs.20 lakh

2.4.1 Loans over the ceiling as above are not eligible for refinance under the aforesaid scheme.

2.5 The maximum repayment period of loan will be in conformity to the guidelines laid down in NHFDC scheme i.e. **7 years after commencement of repayment**. The repayment as per repayment schedule would commence one year after completion of course or 6 months after securing a job, whichever is earlier.

2.5.1 Loans with repayment period beyond the ceiling as above are not eligible for refinance under the aforesaid scheme.

2.6 The other terms & conditions as envisaged in all existing Education Loan Schemes of the bank shall remain applicable to this scheme also.

3. Field functionaries are advised to encourage financing to the Persons with Disabilities (PwDs) in national interest and ensure that PwDs are not only provided with due assistance timely but also they do not face any difficulties /hassles in getting the information on procedures for loan under NHFDC scheme.

4. All concerned are advised to go through the guidelines carefully and ensure meticulous compliance.

(Naveen Kumar)
General Manager