

Central Scheme to provide Interest Subsidy (CSIS) for the period of moratorium of education loans taken by students from economically weaker sections (EWS) under educational loan scheme of Indian Banks Association (IBA), to pursue Technical / Professional education studies in India.

Government of India, Ministry of Human Resources Development, Department of Higher Education, New Delhi has launched a scheme under the name “Central Scheme to provide Interest Subsidy (CSIS)” for the moratorium period of education loan availed by students from EWS under IBA education loan scheme, to pursue Technical / Professional courses in India. The scheme is effective from the academic year 2009-10.

Salient features of the scheme are given below:

Objective of the scheme	The Government of India has introduced a scheme for providing full interest subsidy during the period of moratorium (Course period plus one year or six months after getting job, whichever is earlier), on loans taken by students belonging to Economically Weaker Section (EWS) under the Educational loan scheme.	
Applicability of the scheme	The scheme is applicable only for studies in recognized Technical / professional courses in India. The scheme shall be restricted to students enrolled in recognized Technical/ Professional courses (after classXII) in India in institutions established by Acts of Parliament and other statutory bodies like IIMs/ Institutions set up by Central / State Government.	
Interest rates	The interest rates charged shall be as per the provisions of the scheme.	
Moratorium period	Interest payable by the student during the moratorium (course period plus one year or 6 months after getting employment whichever is earlier) shall be borne by the Government of India. After the period of moratorium, interest on the outstanding loan amount shall be paid by the student in accordance with the scheme.	
Income Limit	The benefits of the Scheme would be applicable to those students belonging to economically weaker sections (EWS), with an <u>annual gross parental/family income upper limit of Rs.4.50 lakh per year (from all sources)</u> . The scheme is intended to cater to the needs of students belonging to EWS with prescribed upper parental gross income limit of the family from all sources, which is based on economic index and not on social background. <u>The scheme is independent of any other schemes which may cater to Economically Weaker Sections.</u>	
Competent Authority to issue income proof.	The Ministry of HRD, Government of India shall issue an Advisory to all the State Governments requesting them to designate appropriate authority or authorities who are competent to issue income certificates, based on economic index and not social background, for the purpose of this scheme.	
	The Banks shall implement the Scheme based on the notification of the certification authority by State Governments communicated through District Level Consultative Committees (DLCCs).	
	Presently the competent authority for issuing the income certificate under the Scheme is :	
	State	Competent Authority
	Kerala Maharashtra Tamil Nadu Andhra Pradesh	Village Officers Tahsildar Zonal Deputy Tahsildars Tahsildar
Applicable academic year	The scheme shall be applicable from the academic year 2009-10	

	starting April 1, 2009. The loan amount taken starting from the academic year 2009-10 (irrespective of the date of sanction) shall only be covered under the scheme of interest subsidy. Interest on any amount disbursed for courses starting before the academic year 2009-10 would not be eligible for subsidy.
Eligibility	The interest subsidy under this scheme shall be available to the eligible students only once, either for the first undergraduate degree course or the post graduate degree/ diplomas in India. Interest subsidy shall, however be admissible for integrated courses. Interest subsidy shall not be available for those students who discontinue the course midstream, or who are expelled from the institutions on disciplinary or academic grounds except on medical grounds which should be certified by the Head of the educational institution.
Nodal Bank	Canara Bank has been appointed as the nodal bank and the scheme will be implemented through them.