

Interest Free Education Loan Scheme

1. **Objectives of the Scheme :** The main objectives of the scheme are to promote pursuit of higher education and technical education by younger population of Goa, to ensure that economic conditions and financial difficulties do not come in the way of such pursuit and, to assist eligible candidates by way of interest free loans to undertake approved degree and diploma courses at undergraduate and post graduate levels, in India or abroad.
2. **Details of the Scheme:** The scheme envisages grant of loans to younger population of Goa to assist them in their pursuit of higher and technical education. It provides for exemption from the payment of interest charges, as long as the loanees adhere to repayment schedule strictly. For this purpose, maximum five years of study period /course duration is covered in India and maximum of two years course duration is covered for abroad courses. In the event that the situation faced by a particular candidate requires minor modification in study period, the scheme provides for flexibility to make adjustments. Failure to comply with the repayment schedule, however, will attract the liability of payment of interest at a prescribed rate.
3. The scheme enumerates the eligibility criteria to be followed for the selection of candidates, criteria for economic/financial constraints and details of approved courses that can be undertaken.
4. The Government will establish a "Higher Education Promotion Fund" (HEPF, from which all loans that are sanctioned under this scheme will be disbursed and to which all recoveries made under the scheme shall be credited. The Government will make arrangements for management of HEPF and its audit.
5. **Eligibility for grant of loans:** Any person below the age of 30 years, who has been a resident of Goa for a period of 15 years, shall be entitled to apply for, and receive, loans under the Scheme provided he fulfills all the following conditions:
 - 1 Has passed the qualifying examination i.e
 - a) Std Xth or XIIth for professional / non-professional courses at diploma /degree level from any of the recognized institutions situated from Goa.
 - b) Graduation from recognized institutions in Goa for postgraduate courses.
 - c) Graduation from institutions outside Goa in case of those educational courses which are not available in Goa.
 - d) Post Graduation for PhD courses.
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 - a) Studies in India: Has obtained 55% or more marks in the qualifying examination. (For candidates belonging to SC/ST/OBC categories, the qualifying marks will be relaxable by 10%).

- b) Studies abroad (outside India): Has obtained 60% or more marks in the qualifying examination. (For candidates belonging to SC/ST/OBC categories, the qualifying marks will be relaxable by 10%).
3. Meets the prescribed eligibility conditions relating to economic/financial constraints.
 4. Undertakes any of the courses approved under this Scheme

6. **Reservation of Candidates:** Efforts will be made to accommodate all eligible applicants for grant of loan. In the event that the number of candidates has to be restricted in any particular year owing to the financial situation of the HEPF, it shall be ensured that not less than 2% of the number of selected candidates belong to Scheduled Caste, 12% to Scheduled Tribe and 19.5% to Other Backward Classes. Further 30% of the selected candidates in each category (General, SC, ST and OBC) shall be women. In case the number of otherwise eligible candidates among reserved categories is less than the percentage prescribed above the slots remaining vacant shall be offered to General category candidates.

7. **Criteria for economic/financial constraint:-** Applicants whose total family income, including the income of both the parents not exceeding ` 7,00,000 per annum shall be eligible to apply for loans under this Scheme for undertaking approved courses within India. In the event that a brother or sister of the applicant is also pursuing studies at Higher/Technical education level (whether or not such sibling has applied for, or availed, loan under this Scheme), the eligibility limit for family income will be raised to ` 8,00,000 per annum. In case of entitled fees beyond ` 1 lakh; relaxation of up to ` 1.00 lakh in the income ceiling may be granted by the Government on case to case basis.

8. For pursuing Higher or Technical education in an institution located outside India, the family income limit for eligibility to apply for loans will be ` 12,00,000 p.a. In the event that a brother or sister of the applicant is also pursuing studies at Higher/Technical education level, within India or abroad, (whether or not such sibling has applied for, or availed loan under this Scheme), the relevant eligibility limit for family income shall be raised to ` 14,00,000 per annum. In case of entitled fees beyond ` 6 lakh; relaxation of up to ` 1.00 lakh in the income ceiling may be granted by the Government on case to case basis.

9. **Approved Courses:** Loans under the scheme can be availed of for pursuing any higher/technical education courses, at undergraduate or post graduate level in the fields of Engineering (degree and diploma), Dentistry, Medicine, Pharmacy, Architecture, Finance including Chartered Accountancy and Cost Accountancy, Law, Fine Arts, Home Science, Management, Environment and Computer Science.

10. **The following conditions must be fully met :**

1. The course requires full time attendance.
1. The entitled Fees payable to the institution for undertaking the course should be at least **Rs.10,000/- p.a.**
2. The course is recognized by any of the following institutions/authorities:
 - University Grants Commission (UGC)
 - All India Council of Technical Education (AICTE)
 - Medical Council of India (MCI)

- Dental Council of India (DCI)
- Architectural Council of India (ACI)
- Board of Technical Education, Goa

Any other recognizing authority approved by Govt. of India or Govt. of Goa.

11. In respect of educational courses offered by institutions located outside India. The list as maintained and updated by www.arwu.org/www.usnews.com shall be considered. Only the top 500 Universities of the world or top 100 Universities in a particular Continent shall be considered for the courses that are ordinarily not available in India.

12. **Amount of Loan:** Following table provides information regarding the maximum amount of loan that can be availed of by a candidate in a year: -

Sr. No.	Max Entitled fee charged by the Institution	Maximum Loan per year
1	Rs. 10,000 and above	Actual "Entitled fees*" subject to a maximum of Rs. 2.00 Lakh per annum. (Max 10 lakhs disbursed over 5 years)
2	For studies abroad	Actual "Entitled fees*" subject to a maximum of Rs. 8.00 Lakh per annum. (Max 16 lakhs disbursed over 2 years)

***Entitled fees includes tuition fees, lab fees, development fees and any other fees that is associated with lab fees.**

The maximum loan admissible to an applicant will be the actual entitled fees subject to the maximum limit in India and abroad.

13. Any amount received by the selected candidate as scholarship or benefit under any other scheme shall be deducted from the maximum loan permissible under this scheme. It shall be the duty of the selected candidate to inform relevant details in his application.

14. It shall be open to the applicants whether to avail loans at the maximum level of entitlement or to seek a lesser amount that would fulfil actual needs and will entail easier repayment schedule.

15. From the total year marked funds in any given year, 20% shall be reserved for loans for studies abroad. These funds shall be sanctioned on need cum merit based on appropriate formula designed by the Sanctioning Committee.

16. Seven different slabs are envisaged under the Scheme according to the total amount disbursed to the applicant.

Slab No.	Loan Amount Disbursed in Rs.	Repayment Period In months	Max EMI in Rs.
1	Upto 50,000/-	18 months (1.5 yrs)	2777
2	50001 to 1 lakh	24 months (2 yrs)	4166
3	100001 to 2 lakhs	36 months (3 yrs)	5555
4	200001 to 4 lakhs	42 months (3.5 yrs)	9523
5	400001 to 8 lakhs	48 months (4 yrs)	16666
6	800001 to 12 lakhs	54 months (4.5 yrs)	22222
7	1200001 to 16 lakhs	60 months (5 yrs)	26666

17. Repayment of the loan shall start one year after the minimum period of course duration. Equated monthly instalment (EMI) shall become payable on 1st day of every month and must be paid by 10th day of each month in order to claim exemption from payment of interest. Failure to make regular and timely repayments in accordance with the repayment schedule during Pay Back Period (PBP) will make the loanee liable to payment of interest. Such interest will be charged at a prescribed rate (not less than 10%) compounded monthly upto the end of moratorium period, and then calculated as equated monthly instalments at the same rate of interest on Annual Rests' basis. Any loan amount or a part thereof shall be recoverable from loanee or the surety is as if it were arrears of land revenue.

18. The cases once Rejected by the Sanctioning Committee constituted under the Scheme will not be reopened/considered for sanction in the subsequent years.

19. The completed loan application along with all the necessary documents should be submitted to this office on or before the last scheme date for receiving the applications. Loan applications submitted after the last date shall not be considered for grant of loan. If applicant does not complete his documentation within 2 weeks of receipt of intimation from the Corporation either by phone call, which shall be duly recorded in register maintained for this purpose only in the Corporation, or through letter or email or any other form of communication, the application form would be filed and considered as rejected.

20. All applications received under the scheme shall be registered and a unique registration number shall be generated and provided to the applicant. The registration number must be quoted in all subsequent correspondence and documentation.

21. The applications for loan under the Scheme will generally be decided upon by the Sanctioning Committee within two months of receiving complete applications. Applicants may be required to submit additional details or to appear for a personal interview before the Sanctioning Committee should such a need arise.

22. Any applicant, who furnishes false or incorrect information or fails to furnish any necessary information, shall be disqualified from obtaining any benefit under the scheme. In the event that some loans have already been disbursed to such disqualified applicant, the loans shall become payable at once and will attract the liability of payment of interest at prescribed rate.

23. In the event that the applicant has applied for a course that involves deadlines in relation to payment of fee and other charges, it shall be the responsibility of the applicant to arrange adequate finances for meeting such deadlines. In such cases, the loan amount granted under the scheme can be utilized to pay back any such bridging loan obtained by the applicant from relatives, friends or Banks.

24. Activities relating to scrutiny of applications and sanctioning of loans shall be undertaken by the Selection Committee constituted by the Govt. The Committee shall frame, and be guided by, appropriate rules of procedure for smooth operation of the scheme. Such rules of procedure can be changed from year to year but generally will not be modified after notice inviting applications has been issued for that year.

25. A fund by the name of “Higher Education Promotion Fund “(HEPF) shall be established by the Govt. through an initial contribution of Rs. 2.5 crores. All loans sanctioned under the scheme shall be paid out of this fund and all recoveries effected from the loanees during the pay back period shall be credited to this fund. The Govt. will take steps to replenish the quantum of funds available with HEPF from time to time.

26. All loans disbursed under the scheme during current academic year will be deemed to have been, sanctioned under this scheme, out of HEPF. All candidates who availed of this scheme during current academic year must furnish an undertaking to the effect that they shall comply with this scheme before the next quantum of disbursement of loan is made to them.

27. For management of HEPF, Govt. may entrust the work to any department, public sector undertaking or corporation, financial institution, co-operative Bank or commercial Bank. Any management fees charged by such appointed managing agency/bank shall be paid out of HEPF itself.

28. HEPF will be subject to audit by Comptroller and Auditor General of India every year.

29. **Documentation required:** On approval of the application, and before the first disbursement of the sanctioned loan amount, for a total loan sanctioned upto `5.00 lakhs the beneficiary applicant shall execute a bond in favour of the Govt. of Goa for repayment of the loan amount in accordance with the terms and conditions of the IFEL Scheme. A similar bond will also need to be executed by one of the parent as surety (preferably one who is employed) for

the beneficiary applicant. In the event that both the parents of the beneficiary applicant are deceased; the bond may be executed by the beneficiary applicant himself.

30. For a total loan sanctioned above `5.00 lakhs the beneficiary applicant shall execute a bond in favour of the Govt. of Goa for repayment of the loan amount in accordance with the terms and conditions of the IFEL Scheme. A similar bond will also need to be executed by one of the parent as surety (preferably one who is employed) of the beneficiary applicant and any person who is of major age and serving as Government servant or any person who owns a plot of land, flat or house in Goa.

31. In the event of the unfortunate death of the borrower, during the course of his studies or after the repayment has started, but before the entire loan has been paid, the outstanding amount of loan as on date of death may be written off after examining on case to case basis; on written request from the concerned parent after verifying the financial condition of the family.