

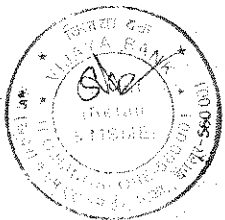
**VIJAYA BANK  
HEAD OFFICE :: BENGALURU**

<b>CIRCULAR NO.</b>	16176
<b>DATE</b>	26-08-16
<b>DEPARTMENT</b>	<b>CREDIT[ RETAIL &amp; MSME]</b>
<b>SUBJECT</b>	<b>Interest Concession</b> a) On education loan sanctioned to wards of members of staff/retired staff and a) for takeover of Education loans of our staff from other banks.
<b>SUMMARY</b>	Maximum of 1.50% interest concession to girl student and 1.00% concession to boy student is extended over and above the card rate for education loans availed by wards of our staff/retired staff. The concession is also available in case of takeover of education loans of our staff from other banks.
<b>EARLIER REFERENCE</b>	<b>HOC 13136 dated 03 May 2013</b>
<b>KEY WORDS</b>	<b>Staff Education loan, Wards, Take over, Interest concession,</b>
<b>To</b>	<b>All Branches and All Offices</b>

In order to provide the much needed financial support for pursuing higher education at affordable cost, the Competent Authority has approved interest concession for education loans availed by our staff/wards of our staff/retired staff, as detailed below:

1. Interest concession is to the extent of maximum of 1.50% for girl student and 1% for boy Student (including additional 0.50% for girl student and 0.50% for V GenUth account holders) over and above the card rate as applicable to general public.

The prevailing rate of interest on education loans under IBA Model Education Loan Scheme and rate of interest applicable for fresh education loans to wards of our staff/retired staff and staff after interest concession is tabulated as below:



Loan amount	Card Rate	Rate of interest applicable to				Rate of interest- staff/wards of staff and retired staff with concession	
		Boy		Girl		Boy	Girl
		V-GenU <sup>th</sup> A/c holder*	Others	V-GenU <sup>th</sup> A/c holder*	Others		
Upto Rs 4.00 lacs	11.15	10.65	11.15	10.15	10.65	10.15	9.65
Above Rs.4.00 lacs upto Rs.7.50 lacs	11.65	11.15	11.65	10.65	11.15	10.65	10.15
Above Rs.7.50 lacs	11.15	10.65	11.15	10.15	10.65	10.15	9.65

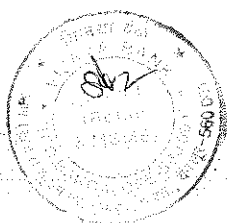
\*As per terms and conditions in terms of HOC 217/2007 dated 22.12.2007.

2. Concession in rate of interest as above is also applicable in case of takeover of education loan of our staff from other banks

**3. Interest concession for existing education loans availed by wards of staff/retired staff:**

Interest concession to the extent of maximum of 1% over and above the rate at which the loan account is **presently being serviced** (provided the account is a Standard Asset at the time of extending concession) as illustrated below:

Sl No	Category	Interest concession available	Rationale
1	Boy- V-GenU <sup>th</sup> account holder	0.50%	0.50% concession for Gen Uth account is already factored in current rate of interest. As such, eligible for further concession of 0.50% only (maximum 1.0%)
2	Boy- without V-Gen Uth account	1.00%	-
3	Girl- V-GenU <sup>th</sup> account holder	0.50%	Interest concession of 0.50% for Girl student and 0.50% for Gen Uth account is already factored. Hence further concession of 0.50% only eligible(maximum 1.50%)
4	Girl-without V-GenU <sup>th</sup> Account	1.00%	As 0.50% concession for girl student is already factored in the current rate of interest



**For eg:** If a loan is being currently serviced at 12.50% by daughter of our staff without V-GenU<sup>th</sup> account, the revised rate of interest shall be 11.50% (as 0.50% is already factored in current rate of interest of 12.50%).

4. The ultimate rate of interest charged to the student borrower, with all concessions (after extending eligible concessions to V-GenU<sup>th</sup> account holder and girl student if any) should not be less than MCLR 1 year+0.20% or Base Rate whichever is higher.

5. 1% interest concession hitherto available for servicing of interest during moratorium period, shall not be available henceforth.

6. Concessional rate of interest as proposed shall not be applicable to the education loans sanctioned to children of staff who are dismissed on disciplinary grounds and those who have resigned from the Bank.

The existing student borrowers eligible for concessions should be intimated by way of letters followed by SMS/emails wherever possible and a copy of such communication should be kept in respective files. Request letter as per annexure-1 should be obtained and forwarded to the concerned RO along with the particulars as per Annexure-2 seeking permission for reduction in interest rate. The Regional Head is the authority to approve the same. The interest concession is applicable from the date of approval by the competent authority.

7. All new accounts of wards of staff/staff should be opened under new Scheme Codes as under:

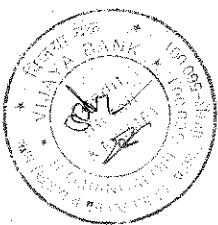
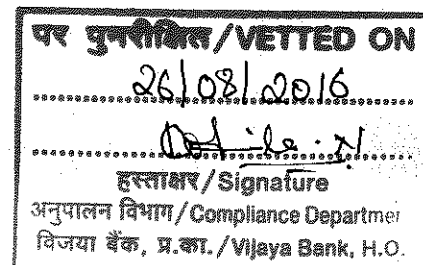
Category	Scheme Code
Unsecured	PL 817
Secured	SL 818

While extending interest concession for existing education loan accounts, the following procedure may be followed:

To identify the existing staff/wards of staff education loan accounts, branch needs to specify '**STFED**' in **free code 3** field under MIS details. (ACM →M→ V option). While entertaining the request for interest concession, Branch should incorporate the above modification in Finacle and forward the application to respective Regional Office, who in turn should ensure the same while approving interest concession.

We are sure that this gesture will go a long way in providing much needed financial support to wards of our staff for pursuing higher education at affordable cost, which should serve as a stepping stone for a high flying career.

  
**GOVIND N DONGRE**  
**GENERAL MANAGER**  
**CREDIT-RETAIL & MSME**



**Annexure-I**

Place: \_\_\_\_\_

Date: \_\_\_\_\_

From:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To:

Vijaya Bank

\_\_\_\_\_ Branch

Dear Sir,

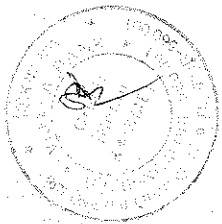
**Extension of concession in interest rate in respect of Education Loan/s  
availed by me/my ward/s A/C No. \_\_\_\_\_**

I/We, hereby request you to extend eligible interest concession on account of  
my/our education loan account No. \_\_\_\_\_ with you.

Thanking you,

Yours faithfully,

\_\_\_\_\_  
(Signature of the borrower/s)



**Annexure-II**

**FORMAT TO BE SUBMITTED TO REGIONAL OFFICE TO OBTAIN  
PERMISSION FOR INTEREST CONCESSION ON EDUCATION LOANS  
SANCTIONED TO WARDS OF STAFF/EX-STAFF MEMBERS**

Sl. No.	Branch	(Code No. )
1.	Name of the Borrower	
2.	Name of the Co-borrower/Staff member	
3.	Whether Co-borrower presently working or retired	
4.	Loan A/c No. Date of loan Amount sanctioned Amount disbursed	
5.	Present balance outstanding	
6.	Applicable Rate of Interest presently charged (Linked to BPLR+BR+MCLR)	
7.	Rate of Interest now proposed in terms of Circular No..... Dt. ....	
8.	Concession involved	
9.	Asset Status-Standard without any arrears	Yes/No.
10.	Date of request letter received from the borrower/s	
11.	Recommendations of the Branch :	

Place:

Date :

**BRANCH HEAD**

