

## How to Apply for and GET an Education Loan (Guidelines only)

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The public sector banks in India have a very good education loan scheme in place for students pursuing higher education in general and professional courses in particular. **Govt. of India Central Scheme for 100% interest subsidy during the study period is available for students in professional courses.** The rules and requirements are published on most if not all bank websites. Online application facility and application form download are also available on the websites. Students, by understanding the rules and starting the online registration/application process, can get loans in a timely manner with recourse to head office loan cell when difficulties arise. They get to know necessary documents and may collect them prior to the first visit to the local bank branch nearest to their domicile. The branch managers will have to spend less time on each application and they will be also aware that the students know the rules and requirements. Following step by step guide will help students to access this information and exercise their rights to get the loan.

### **Before CET Counseling**

1. Make a list of Public Sector Banks nearest to your family home and rank them starting with the nearest. It is also important to select bank that services your domicile.
2. Go onto their Education Loan web page on the internet and print information about the bank's education loan scheme, study it and understand the eligibility requirements, eligible expenses and conditions for various levels of loan amount. Check whether the bank has online application facility. List the phone numbers and names of the bank manager and the assistant division manager.
3. Decide on amount of loan you need to complete your education. For example, for 4 years of engineering, with or without hostel, Rs. 4 lakhs or less is currently sufficient for most of the colleges in Karnataka. Understand the bank conditions for the loan amount you need. Conditions to look for are collateral security, third party guarantee, margin, interest rates and repayment period.
4. Download the loan application form, print it and make list of documents needed to be attached to the application form.
5. Collect as many needed documents as and when possible

### **At CET Counseling**

6. Talk to the bank loan kiosks at the CET counseling center and ask for education loan. Choose the bank nearest to your home if present at the center; otherwise go to the next one on your list prepared in step 1. Some banks will even give you a DD required for the payment of the fees at the counseling. Ask for loan amount you decided in step 3 or Rs 4 lakhs for engineering or more for medical or other courses. Get a letter from the bank officer at the counseling center that typically says that the loan is approved in principle.

### **After Final Selection of the College You Will Attend or After Admission**

7. Apply online on the bank website, if this facility is available. Make sure you print out the confirmation information after you complete the form. You will receive an email with the in principle approval in a

short time, typically 7-10 days; you may get a phone call from some banks, ask and note down the name, phone number, and branch of the person and confirm the branch you need to go to apply for the loan in person.

8. Get a letter of expenses and admission from the principal of the college you going to attend. Collect all the documents that are required with the education loan application from the list you made in step 4.
9. Fill up the application form you printed in step 4.
10. Submit the application and the required documents to the bank nearest to you. **Get a written receipt of the application submission with a date stamp.** *Getting the receipt is the most important part of the application process. Once you have a written receipt, the bank loan officer is required to follow a well defined and time limited procedure and approve or disapprove the loan. If the bank officer does not cooperate, do not get discouraged. Politely and firmly insist on getting the receipt. Visit the bank multiple times if necessary.*
11. The bank officer may ask you to provide a third party guarantor or collateral security even if requested loan amount is less than Rs. 4 lakhs. Show the manager the printout from the bank website and politely tell him that neither is required if the requested loan is less than Rs 4 lakhs. Make sure that the bank officer knows the fact that you are only asking them to follow their own bank's rules.
12. If the bank is still not cooperating, call or email the head office contact you received when you completed online registration/application Seek out help of a prominent person in your community who may be able to help you with the bank manager.
13. If that is not possible, talk to the assistant division manager of the bank and explain your situation and request him to help you with processing of the loan application.
14. For more information please refer : <http://appamadiwale.blogspot.com/> and <http://action2020eltf.blogspot.com/>
15. If you are still having difficulties, email at [appam@yahoo.com](mailto:appam@yahoo.com) with your phone number and I will help you.

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