

BCC: BR: 114:716

25-10-2022

CIRCULAR TO ALL BRANCHES AND OFFICES IN INDIA

ISSUED BY RETAIL BANKING DEPARTMENT

Dear Sir/Madam,

Re:Retail Loans: Modification in parameters in Education Loan

Please refer to circular the Circular No. BCC:BR:257 Dated 20.04.2022 interalia advising waiver of third party guarantee in Education Loan up to Rs.7.50 Lacs and to cover the same under NCGTC guarantee.

National Credit Guarantee Trustee Company Ltd (NCGTC) was set up by the Department of Financial Services, Ministry of Finance, and Government of India. It acts as a common trustee company to manage and operate various credit guarantee trust funds. At present Credit Guarantee Fund Scheme for Education Loans (CGFSEL) of NCGTC provides the credit guarantee for education loan for study in India and Abroad up to Rs.7.50 Lacs granted without any collateral security and third party guarantee.

It has been observed that due to certain conditions of NCGTC, some of the accounts could not be covered under CGFSEL. In order to align our product parameters as per NCGTC guidelines for inclusiveness in entirety, the following modifications has been approved by the competent authority:

i. Modification in ROI under Baroda Gyan:

Baroda Gyan	Existing ROI (%)		Revised ROI (%)	
Up to Rs.4.00 Lakh	BRLLR+2.00		No Change	
Above Rs.4.00 Lakh up to 7.50 Lakh	BRLLR+2.25		BRLLR+2.00	
Above Rs 7.50 lakh	BRLLR+2.25		No Change	
Premier Institutions(Baroda Gyan)				
List AA Category Institutions	BRLLR		No Change	
List A Category Institutions	BRLLR+0.25		No Change	
List B Category Institutions	Upto Rs 7.50 lakh	BRLLR+1.35	Upto Rs 7.50 lakh	No Change
	Above Rs.7.50 Lakh	BRLLR+1.10	Above Rs.7.50 Lakh	No Change
List C Category Institutions	Upto Rs 7.50 lakh	BRLLR+2.10	Upto Rs 7.50 lakh	BRLLR+2.00
	Above Rs.7.50 Lakh	BRLLR+1.85	Above Rs.7.50 Lakh	No Change

ii. Modification in Margin norms under “Baroda Education Loan to Students of Premier Institutions under Baroda Gyan”:

Premier Institutions (Baroda Gyan)	Existing		Revised	
	Upto Rs 4.00 lakh	NIL	Upto Rs 4.00 lakh	No Change
Above Rs.4.00 Lakh up to Rs 7.50 Lakh	Above Rs.4.00 Lakh up to Rs 7.50 Lakh		5%	
Above Rs 7.50 lakh	Above Rs 7.50 lakh		No change	

iii. Modification in ROI under Baroda Scholar:

Baroda Scholar	Existing ROI (%)	Revised ROI (%)	
Premier Institutions	BRLLR+1.75	No Change	
Executive Development Programs in Premier Institutions	BRLLR+2.35	Upto Rs 7.50 lakh	BRLLR+2.00
		Above Rs.7.50 Lakh	BRLLR+2.35
Non-Premier Institutions	BRLLR+2.40	Upto Rs 7.50 lakh	BRLLR+2.00
		Above Rs.7.50 Lakh	BRLLR+2.40

iv. Modification in margin norms under Baroda Scholar (including Executive Development Program for study abroad):

Margin	Existing		Revised	
Premier Institutions	Upto Rs 4.00 lakh	NIL	Upto Rs 4.00 lakh	No Change
	Above Rs.4.00 Lakh up to Rs 7.50 Lakh		Above Rs.4.00 Lakh up to Rs 7.50 Lakh	15 %
	Above Rs 7.50 lakh		Above Rs 7.50 lakh	No change
Non-Premier Institutions	Upto Rs 4.00 lakh	Nil	Upto Rs 4.00 lakh	No Change
	Above Rs.4.00 Lakh	10 %	Above Rs.4.00 Lakh up to Rs 7.50 Lakh	15 %
			Above Rs 7.50 lakh	10%

Operating units to ensure not to insist for collateral and third party guarantee for loan up to Rs.7.50 Lacs so that these accounts can be invariably covered under CGFSEL of NCGTC.

Branches / offices are advised to take a careful note of above modifications and ensure strict compliance.

Yours faithfully,

(Harshadkumar Solanki)

General Manager

Head - Mortgages & Other Retail Assets