

PRODUCT GUIDE



Axis Bank's Education Loan aims to provide the much needed financial support to deserving students for pursuing higher professional or technical education in India and abroad. The Education Loan is provided to those students who have obtained admission to career-oriented courses for e.g. engineering, management, medicine etc., either at the graduate or post-graduate level.

INDEX

Sr. No.	Particulars	Page No.
1.	General FAQs	01- 05
2.	Tax Implications	06
3.	Charges Applicable	07



General FAQs

1. What is MCLR ? What is the impact of this movement from base rate to MCLR for Education Loans ?

All Education Loans w.e.f. 1st April, 2016 are linked to the benchmark rate which is referred to as the MCLR (Marginal Cost Lending Rate). The rate offered to you is the Bank's MCLR rate plus markup / spread. The effective rate will vary depending on the movement in the MCLR. Monthly sourcing can be at a different rate depending on the spread / markup being offered at that time.

2. What is the reset frequency for MCLR linked floating rate Education Loans ?

All Education Loans are on a 6 monthly reset cycle. In case of change in MCLR increase / decrease, the effective rate of interest will change as per 6 monthly cycle.

3. What is part disbursement ?

Education Loan sanctioned, will be disbursed in single / multiple installments depending on the demand raised by the college / institute. All the disbursements post the initial disbursement are termed as part / tranche disbursements.

4. How to avail part disbursements ?

Kindly submit the following documents to the bank to avail the part disbursement:

- Demand Letter from the college / institute
- Disbursement Request Form duly signed
(Download it from our website www.axisbank.com/retail/loans/education-loan/download-forms)
- Receipt from college / institute for previous disbursement
- Margin Money Receipt for current disbursement requested & bank statement reflecting the transaction of payment made to the institute
- Form A2 (In case of abroad cases foreign remittance)
(Download it from our website www.axisbank.com/retail/loans/education-loan/download-forms)

5. What is Form A2 ? Where can I get the Disbursement Request Form and the Form A2 ?

Form A2 is required for remittance to the university abroad. It contains the beneficiary's details and the currency in which the remittance is to be made. You can download the same from our website www.axisbank.com/retail/loans/education-loan/download-forms



General FAQs

6. Where can I submit part disbursement request ?

You can submit the part disbursement request using any of the following channels –

Contact Axis Bank Sales Manager who has been liasoning with you for your loan requirement.

OR

Visit your nearest loan centre to submit your request along with the required documents. To find your nearest loan centre visit our website www.axisbank.com/contact-us/locator/loan-centers

7. Does any amount have to be paid by me to the institute before availing the part disbursement ?

If the loan amount is greater than 4 Lakhs, margin money is to be paid to the institute. Margin money for domestic loans is 5% of the total demand raised by the institute and it is 15% for abroad cases. Receipt of the same is to be submitted at the time of requesting for part / full loan disbursement.

8. How much time does it take for the part disbursement ?

It takes approximately 3 - 4 working days for the disbursement to get processed. Kindly submit all necessary documents together at the loan centre in order to enable us to process your disbursement at the earliest. You may also contact your sales manager for availing the part disbursement.

9. What is Pre-EMI interest ?

Pre-EMI is the simple interest on the loan amount disbursed. During principal moratorium period, you are required to pay only the Pre-EMI. It is to be paid every month till the commencement of the EMI.

10. What is EMI ?

An Equated Monthly Installment (EMI) is a fixed payment amount made by a borrower to the bank at a specified date of each calendar month. Equated Monthly Installment contains both interest and principal each month so that over a specific number of years, the loan is paid off in full.

11. When does the EMI commence ?

The EMI commences after termination of the moratorium period. The moratorium period is the course period + grace period (if any). The moratorium period is mentioned in your sanction letter and the loan agreement. EMI is to be paid on a monthly basis to the bank till the loan is fully repaid.



General FAQs

12. When do I have to pay the EMI / Pre-EMI or when is my Pre-EMI / EMI due date ?

The EMI / Pre-EMI is payable on the 5th of every month.

13. How do I keep a track of my Education Loan ?

To view the loan details – loan amount sanctioned, loan amount disbursed, rate of interest, term of the loan, etc. download the Axis Bank Mobile Application or visit your nearest Axis Bank Loan Centre. To find the one closest to you, please visit our website www.axisbank.com/contact-us/locator/loan-centers

14. How does the loan repayment take place on a monthly basis ?

The loan repayment will take place through the Standing Instruction (SI) / National Automated Clearing House (NACH) instruction given by you. The EMI amount (principal + interest) will get deducted on a monthly basis. Kindly keep sufficient funds in your account on the due date in order to honor the instruction. Your repayment track record will have an impact on your CREDIT score. In order to maintain a healthy CREDIT score, you are requested to repay the loan regularly.

15. How to foreclose the loan account ? Will there be any charge on foreclosure ?

Kindly visit the nearest Axis Bank Loan Centre (to find the one closest to you, please visit www.axisbank.com/contact-us/locator/loan-centers) and obtain a foreclosure statement. Once all outstanding dues have been cleared, please submit a foreclosure request at the loan centre. No foreclosure charges are applicable on the foreclosure of the loan. Request you to render the exact amount as per the foreclosure letter issued by the loan centre. Kindly pay by local cheque / DD. No outstation cheques are accepted.

16. How do I make part payment?

Kindly visit the nearest Axis Bank Loan Centre (To find the one closest to you, please visit www.axisbank.com/contact-us/locator/loan-centers). No charges are applicable on part payment of the loan.



General FAQs

Part Payment Rules

- Payments can be made via cheque or demand draft favoring; Axis Bank Limited, loan A/c no. xxxxxx
- No cash is accepted at loan centres
- If you have an Axis Bank Savings A/c the overdue payment - EMI or charges, you can make the payment via net banking
- Part payment made in branch, to be necessarily communicated to the loan department by calling the call centre. Customer to also inform whether the impact of part payment needs to be given against loan tenor or EMI. In case of no intimation to the bank, the amount will be adjusted in loan principal & by default tenure will be reduced
- In case of no intimation to the loan center or call center for the payment made at branch, payments made will be adjusted in the following order of sequence:
 - a) Overdue EMI, if any
 - b) Outstanding charges, if any
 - c) Principal amount

In case of part payments

- Payments made should be equal to minimum of One EMI (Equated Monthly Installment)
- Payments to be preferably made at the loan centre. In case customer visits for part payment or EMI cycle date change prior to first demand post first disbursement availed, then any rephasing prior to first demand is not allowed
- Once tenure is reduced due to part payment; at later date, increasing tenure by reducing EMI will not be permitted
- Part payment benefit will be affected on the loan account from the date of credit of funds in bank account. In exceptional scenarios, when the payments are adjusted after the payment credit date, the due benefit will be passed on to the customer by crediting the respective interest amount in the loan account and reducing the principal and tenure thereafter



General FAQs

Applicable for partly disbursed loans

- a) Part payments are not recommended as it may lead to closure of account
- b) In the event of any rephasing (rate change, EMI change, part payment, etc.) in a particular month, requests for part disbursement or EMI commencement will be executed only after the next cycle (due) date

17. How do I get the financial year income tax certificate?

You may visit the nearest Axis Bank Loan Center along with your valid signature photo ID proof. (To find the one closest to you, please visit www.axisbank.com/contact-us/locator/loan-centers).



TAX IMPLICATIONS

Interest Repayment of Education Loans

The interest paid on the Education Loan can be claimed as deduction, as per Sec 80E of the Income Tax Act 1961. The income tax benefit can be claimed only on the interest part of the Education Loan.

Principal Repayment of Education Loans

The principal repayment of Education Loans does not qualify for tax benefit.

*Disclaimer

The taxation implications given above are summarized in brief for the general understanding and reference. The tax material is not exhaustive and not intended to be advice on any particular matter. The clients should verify all the facts, law and contents with the text of the prevailing norms and seek appropriate professional advice before acting on the basis of any information contained herein as the taxation implication may vary depending upon the facts in each case and the tax laws are subject to change from time to time and Axis Bank Ltd. is absolved of any liability to any person, in respect of anything done or omitted to be done by any customer by placing reliance upon the contents of this material.



SCHEDULE OF CHARGES

Prepayment charges	NIL
Default interest rate	@ 24% per annum i.e. @ 2% per month on the overdue installment/s
Repayment instruction / Instrument return penalty	Rs. 500/- + GST per instance
Cheque / Instrument swap charges	Rs. 500/- + GST per instance
Duplicate statement issuance charges	Rs. 250/- + GST per instance
Duplicate amortization schedule issuance charges	Rs. 250/- + GST per instance
Duplicate interest certificate (provisional / actual) issuance charges	Rs. 250/- + GST per instance
Out of pocket expenses	Up to 1% of the loan amount + GST

GET IN TOUCH WITH US:



1860 419 5555 or 1860 500 5555
(local charges applicable)

-or-



axisbank.com/support

-or-



For the list of loan centres,
Log on to www.axisbank.com >
Go to Contact Us > Select
Locate Us > Select Loan Centre