

NATIONAL BACKWARD CLASSES FINANCE AND DEVELOPMENT CORPORATION (NBCFDC)

VOCATIONAL EDUCATION AND TRAINING LOAN SCHEME (VETLS)

1. BACKGROUND:

- 1.1 As per the Report on Human Resource & Skill Requirement in various sectors till 2022, prepared by the National Skill Development Corporation, there are skill shortage of 176.58 million in various key sectors of the economy. The NBCFDC proposes to introduce new scheme to fund the training programmes. "The Vocational Education & Training Loan Scheme (VETLS)" in congruence with the 'Learn, Earn & Pay' Model outlined in the National Policy for Skill Development and Entrepreneurship, 2015.
- 1.2 There would be ample opportunities for technically skilled persons to secure gainful employment in the country and abroad. Therefore, there is need to provide institutional funding at concessional rates to the students of the target group willing to undergo Skill Development Programmes in recognized institutions.
- 1.3 Considering above, NBCFDC proposes to launch a new Scheme titled "Vocational Education and Training Loan Scheme (VETLS)" with effect from 01.01.2016. Under the proposed Scheme, loans shall be provided to persons of target group for meeting training costs of duration of six months to two years.
- 1.4 The present Scheme of providing Grants from NBCFDCs/MOSJ&Es resources / any other resource, for skill development training programmes of duration below six months, shall continue to be implemented as before.

2. OBJECTIVE:

To provide financial assistance in the form of loan to youth of target group to enhance their skill and employ ability by pursuing Vocational Education and Training Courses in India.

3. ELIGIBILITY CRITERIA

3.1 Trainee Eligibility

- (i) The trainees should be from a Backward Class community.
- (ii) The annual family income of the applicant is fixed as Rs.3.00 Lakh.
- (iii) The trainees should have secured admission in a course run or supported by a Ministry/Deptt./Organization of the Government or a Company/Society/Organization supported by National Skill Development Corporation or State Skill Missions/State Skill Corporations, Sector Skill Council approved courses, preferably leading to a Certificate / Diploma/Degree etc. issued by a Government Organization or an organization recognized /authorized by the Government to do so.

3.2. COURSE ELIGIBILITY

Vocational Education & Training Course of duration upto two years, run or supported by a Ministry / Department / Organization of the Government or a Company /Society/ Organization supported by National Skill Development Corporation or State Skill Mission/State Skill Corporation preferably leading to a Certificate / Diploma / Degree etc. issued by a Government Organization or an organization recognized /authorized by the Government to do so.

3.3 MINIMUM AGE

The minimum age may be decided keeping in view the course module. Although there is no specific restriction with regard to the age of the trainee to be eligible for the loan. However, if the trainee is minor, while the parent executes documents for the loan, the channelizing agency shall obtain a letter of ratification from him/her upon attaining majority. The upper age limit could be decided by the channelizing agency and if a person is unemployed and upto 50 years of age, and desirous of undergoing the Vocational Education & Training, he/she could be considered on case to case basis.

4. EXPENSES TO BE CONSIDERED FOR VOCATIONAL EDUCATION AND TRAINING:

- Admission / Tuition fee.
- Examination, Library, Laboratory Fee,
- Caution Deposit.
- Purchase of Books, Equipment's, Instrument's.
- Boarding & Lodging.
- Insurance for loan amount.
- Any other reasonable expenses found necessary for completion of the course certified by vocational Education & Training Institute.

5. QUANTUM OF FINANCE:

Need based finance to meet 100% expenses as worked out under para 4 above shall be considered subject to the following ceilings.

- For courses of duration upto one year : Upto Rs.1,00,000/-
- For courses of duration above one year & upto two years : Upto Rs.1, 50,000/-

Note: In case of cost over-run, it shall be borne by beneficiary.

6. RATE OF INTEREST:

NBCFDC shall charge interest @1.5% per annum from the Channelising Agency which, in turn, shall charge 4% per annum from the beneficiary. In case of women, an interest rebate of 0.5% shall be provided.

7. MORATORIUM PERIOD

Six months from completion of courses or getting employment whichever is earlier.

8. SECURITY

The Channelising Agency shall provide Government Guarantee / Bank Guarantee / Fixed Deposits to the NBCFDC, valid upto the repayment period of the loan, for the funds sanctioned / disbursed to them under the Scheme. The Government Guarantee / Bank Guarantee / Fixed Deposit shall be available before sanction of the Scheme.

9. REPAYMENT

The loan shall be repaid in quarterly instalments including the applicable moratorium period of six months.

Course having duration upto one year : 5 Years

Courses having duration above one year & upto two years : 7 Years

10. PRE-PAYMENT OF LOAN

The borrower can repay the loan any time after commencement of repayment of loan. No pre-closure charges shall be insisted from beneficiary in case of early repayment of loan.

11. SCHOLARSHIP / CONCESSION / FREE-SHIP:

The scheme shall bridge the gap before receipt of the scholarship / concessional / free-ship by the candidates under various schemes of appropriate bodies. The cost of the course shall be restricted on pro-rata basis, in case scholarship/concession/free-ship is granted by the State/Central Government or any other source.

12. TAKEOVER OF LOAN

NBCFDC shall take over the Bank Loan for courses which have started after the date of introduction of the scheme provided all the eligibility criteria are fulfilled as well as No. Objection Certificate and copy of Sanction Letter are obtained from the Banks. In case the Banks levy any for enclosure charge (s), the same shall be borne by the candidate (s).

13. LOAN DURING CURRENCY OF THE COURSE:

Vocational Education & Training Loan during the currency of the course shall be considered on Channelising Agency's recommendations for courses which have started after the date of introduction of scheme by NBCFDC. However, Vocational Education Loan shall not be provided for the completed course.

MODEL LOAN SCHEME FOR
VOCATIONAL EDUCATION AND TRAINING LOAN SCHEME (VETLS)

- Courses upto 3 to 6 months In 2 to 5 years

- Courses 6 months to 1 year In 2 to 5 years

- Courses above 1 year In 3 to 7 years

VIDYA SAHAY

Bridge Loans to students who appear for Counseling Sessions at CET Centres. Bridge Loans is to be cleared after sanction of regular Education Loan. Maximum eligible amount would be Rs.1.00 Lakh or initial payment as proposed by the CET Authorities whichever is less.

VIDYA TURANT

To assist the needy and meritorious students who are in need of education loan who are pursuing their higher studies in select reputed institutions viz., Select IIMs/IITs/NITs/IISc/ISB (Hyderabad & Mohali) and other reputed institutes only.