

Key Fact Document

Education Loan in Sri Lankan Rupees

Description of the product/ delivery channel

This product has been introduced in line with the current requirements of the market where there is an increasing demand for higher education. Based on market research the Bank has developed several "Loan Types" aimed at facilitating the financing of a wide array of Academic Programs and Professional Courses conducted by selected Universities/Institutes.

1. Eligibility

- Age 18 - 65
- Student (age 18 and above) – unemployed (Always the main borrower)
- Salaried - employed in a Private firm/Government
- Professional customer segment (Salaried and Business)
- Business Clients

2. Target Segment

- Full time students who wish to pursue Higher Education in selected local Universities/ Institutes or Universities and institutes which have affiliated office's in Sri – Lanka. - **Category 1.**
- Applicants/borrowers who are full time employed or engaged in business activities and wish to pursue a selected Professional Qualification. - **Category 2.**
- Full time students who wish to pursue higher studies in Foreign Universities or Institutes. (Full or partial course is pursued outside Sri - Lanka) - **Category 3.**

3. Interest Rates - Please refer the HNB Web site –
www.hnb.net ➡ Loans ➡ Education Loan ➡ View Loans Interest Rates

4. Repayment Terms – Grace period will be given during the study period.
 Grace period = study period + 6 months - up to a maximum of Five years.
 Total repayment period including grace period is maximum of 10 years

If the student is not employed, facility will be granted jointly. A novel feature of this scheme is we consider the future income of the student for repayment of the loan granted for first segment only. This feature is applied only for the main Courses defined below.

- Medicine
- Engineering
- IT
- Finance
- Management
- Law

Financial and other benefits to customers including incentive and promotions

- Competitive interest rates
- Capital grace period up to maximum 5 years
- Maximum repayment period is 10 years (Including grace period)
- In addition to the above, the following benefits would also be offered.
 - Loan to cover lap top
 - Credit card for the parent and supplementary card for the student.
 - "HNB Youth" account and attached benefits.

Cost to Customers – Fees/charges, commission, interest, etc.

- Fixed/Floating interest rates and combined fixed cum floating rates
- Penal interest on overdue capital

- Penalty on overdue instalments
- Standard documentation charges
- Valuation charges (if applicable)
- Legal charges (if applicable)
- Stamp Duty (if applicable)
- Standard early settlement charges/Interest reduction charges
- Insurance Premium (if applicable)

Procedure to be followed to obtain the product/delivery channel

- Visit the closest branch (250+ island wide)
- Obtaining, completing and forwarding an application with required documents. (All the Branches island wide)
- Salary confirmations/income proof
- Loan Protection Cover (if applicable as per the Bank policy guideline)
- Insurance Policy (if applicable and to be renewed annually)
- Title Insurance (if required).

Key Terms & Conditions

- Minimum income should be Rs. 100,000/-
- Minimum and Maximum loan amounts

Limit	Category 1	Category 2	Category 3
Minimum	Rs.100,000/-	Rs.100,000/-	Rs.100,000/-
Maximum	Rs.5,000,000/-	Rs.5,000,000/-	Rs.20,000,000/-

- Consider only in Sri Lankan Rupee (LKR)
- A letter of undertaking from the employer to route the salary to an account maintain at HNB or Standing Order instructions along with undertaking from the customer that he/she will not change same within the tenure of the facility.
- Acceptable CRIB Report
- Total deductions including instalments of the proposed loan, together with the existing deductions/loan commitments to be within 50% of the net salary.
- Repayment up to the retirement age for salaried borrowers and up to the 65th birthday for Business Clients.

Security Details

Loan Amount	Security
Up to Rs. 5 Mn	Bank to decide
Above Rs.5 Mn to Rs.10 Mn	Immovable property/any other additional security to be decided by the approving authority based on the customer profile
Above Rs. 10 Mn	Mortgage over the property owned by the borrower/s

For more information – 0112 462 462/ hnbconnect@hnb.lk