

# Education Loan Sanction Letter Sample

**XYZ Bank Ltd.**

(Registered Office Address)  
[Bank's Letterhead]

## Loan Sanction Letter

**Date:** [DD/MM/YYYY]

**To,**

[Borrower's Full Name]  
S/o / D/o [Parent's Name]  
[Borrower's Address]

**Co-Borrower:**

[Co-Borrower's Name]  
[Co-Borrower's Address]

**Subject: Sanction of Education Loan of ₹[XX,XX,XXX]**

Dear [Borrower's Name],

We are pleased to inform you that XYZ Bank has sanctioned an education loan of ₹[XX,XX,XXX] (Rupees [Amount in Words]) in your favour under the following terms and conditions:

## Loan Sanction Details

Particulars	Details
Name of Borrower	[Borrower's Name]
Name of Co-Borrower	[Co-Borrower's Name]
Name of Guarantor (if any)	[Guarantor's Name]
Course Name & University	[Course Name], [University Name]
Country of Study	[Country Name]
Loan Amount Sanctioned	₹[XX,XX,XXX]
Rate of Interest (ROI)	X% per annum (Fixed/Floating)

<b>Loan Tenure</b>	X years
<b>Moratorium Period</b>	X months
<b>Repayment Period</b>	X months (After moratorium)
<b>Equated Monthly Installment (EMI)</b>	₹[XX,XXX]
<b>Processing Fee</b>	₹[X,XXX]
<b>Documentation Fee</b>	₹[X,XXX]
<b>Margin Money Requirement</b>	X%
<b>Credit Insurance Premium</b>	₹[XX,XXX]
<b>Loan Account Number</b>	XXXXXXXXXXXX
<b>Branch &amp; IFSC Code</b>	[Branch Name], [IFSC Code]

## Security Details

- **Primary Security:** Assignment of future income of the student for loan repayment.
- **Collateral Security (if applicable):** [Details of collateral, e.g., property, FD, insurance, etc.]
- **Guarantor:** [Guarantor's Name, if applicable]

## Disbursement Conditions

- The loan will be disbursed **only after obtaining the student visa** and fulfilling all required loan conditions.
- The disbursement may be made **directly to the university/institute** as per the fee structure.
- Any remaining amount for living expenses will be transferred to the student's account as per the lender's policy.

## Additional Terms & Conditions

- **Execution of Loan Agreement:** The borrower and co-borrower must sign all loan documents as per the bank's format.
- **Interest Rate Changes:** The ROI and EMI are subject to revision based on bank policies and market conditions.
- **Sanction Letter Validity:** This sanction is valid for **6 months** from the date of issuance.
- **Penal Interest:** A penal interest of **2% per annum** will be charged on overdue amounts in case of default.

- **Third-Party Liabilities:** Any false declaration or incorrect information provided by the borrower will be their responsibility, and the bank will not be held liable.

Please provide your acceptance of the above terms and conditions by signing the acknowledgment copy of this letter and submitting it to the bank within the stipulated period.

**Thank You.**

**Yours sincerely,**  
[Authorized Signatory]  
**XYZ Bank Ltd.**

