



PM Vidyalaxmi Loan Scheme- Students seeking education loans and financial Aid

[PM Vidyalaxmi Loan Scheme: A Lifeline for Student Education Financing](#)

Higher education is a powerful tool for personal and societal growth, but the financial burden often acts as a significant barrier for many aspiring students. Recognising this challenge, the Indian government has launched the PM Vidyalaxmi scheme, a groundbreaking initiative designed to make quality higher education accessible to all, regardless of their financial background. This scheme is a game-changer, offering collateral-free and guarantor-free education loans, along with interest subvention benefits, to eligible students.

Key Features of the PM Vidyalaxmi Scheme

1. Collateral-Free and Guarantor-Free Loans

- Students admitted to Quality [Higher Education](#) Institutions (QHEIs) can get loans to cover full tuition fees and other course-related expenses.
- No collateral
- No guarantor

2. Interest Subvention (Discount on Interest)

- Students with an annual family income of up to ₹8 lakh can avail of a 3% interest subvention on loans up to ₹10 lakh.
- For loans above ₹10 lakh, the subsidy applies only to the first ₹10 lakh.
- Students with family income up to ₹4.5 lakh get full interest subvention during the moratorium period (course duration + 1 year after studies).

3. Credit Guarantee for Banks

- For loans up to ₹7.5 lakh, the government provides a 75% credit guarantee to banks.
- This means if a student defaults, the government covers 75% of the outstanding amount, reducing the risk for banks

4. Simplified Application Process

- A single platform called the PM-Vidyalaxmi Portal <http://pmvidyalaxmi.co.in> allows students to apply for loans and interest subsidies.
- The process is streamlined and works across all participating banks.
- Interest subvention is disbursed through E-vouchers and CBDC wallets for transparency and efficiency.

PM-Vidyalaxmi – example of an education loan

Collateral-free, guarantor-free education loans

In **Jamia Hamdard**, the MBA course fee for 2 years is INR 5,20,000

Add hostel, mess, and other out-of-pocket expenses: INR 2,60,000

A collateral-free, guarantor-free education loan is available for up to ₹30 lakhs, depending on the student's requirements. Disbursements will be made according to the institutions' and students' requirements.

No ceiling on family income (₹ 8 lakhs) for education loans

No ceiling of loan amount (₹ 10 lakhs) for education loans

Who is Eligible?

- Students admitted to Quality Higher Education Institutions (QHEIs).
- Annual family income should be up to ₹8 lakh for interest subvention.
- Students not receiving any other Central/State Government scholarships, fee reimbursements, or interest subventions.

Who is Not Eligible?

- Students who discontinue their studies due to disciplinary or academic reasons.
- Students already receiving other government scholarships or financial aid.
- Exception: Discontinuation due to medical reasons is allowed with proper documentation.

Benefits at a Glance

- No collateral or guarantor is required for loans.
- 3% interest subvention on loans up to ₹10 lakh.
- 75% credit guarantee for loans up to ₹7.5 lakh.
- Easy online application through the PM-Vidyalaxmi Portal.

Why is This Scheme Important?

- It ensures that financial constraints do not hinder a student's dream of higher education.
- It encourages students to pursue courses in top-ranked institutions (NIRF-ranked).
- It supports low- and middle-income families by reducing the burden of education loans.

A Brighter Future: Empowering Students

The PM Vidyalaxmi Scheme is a powerful initiative that empowers students to focus on their education without worrying about finances. By offering collateral-free loans, interest subventions, and a simplified application process, the government is making higher education accessible to all.

If you're a student with big dreams, this scheme is your stepping stone to a brighter future. Dream big, apply for the PM Vidyalaxmi Scheme, and let nothing hold you back!