



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2012-13/291

RPCD.MSME&NFS.BC.No. 46 /06.12.05/2012-13

November 9, 2012

The Chairman / Managing Director  
All Scheduled Commercial Banks

Madam/Dear Sir,

**Service Area Approach - Educational Loan Scheme**

We have been receiving a number of complaints where students have been refused educational loan as the residence of the borrower does not fall under the bank's service area. In this connection, we advise that Service area norms are to be followed only in the case of Government sponsored schemes as advised in our [circular RPCD.LBS \(SAA\).BC.No.62/08.01.00/2004-05 dated December 8, 2004](#) and are not applicable to sanction of educational loans.

2. Hence, banks are advised not to reject any educational loan application for reasons that the residence of the borrower does not fall under the bank's service area.
3. You are, therefore requested to issue suitable instructions to your branches / controlling offices for meticulous and strict compliance in this regard.
4. Please acknowledge receipt.

Yours faithfully,

(C.D.Srinivasan)  
Chief General Manager

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