

**Human Resource, Knowledge and Arts Development Fund**  
**(HRK&ADF)**

**Scheme for Government Guarantee on Student Loans provided by  
Commercial Banks**

Under the Human Resource, Knowledge and Arts Development (HRKAD) Fund, provision is made for a "Government guaranteed student loan scheme up to a principal amount of Rs 150,000 for students from Mauritius and Rs 210,000 for students from Rodrigues and the Outer Islands per year to allow commercial banks to make loans to all students with an offer from a TEC recognised Tertiary Institution in Mauritius".

**(i) Objective of the Scheme**

The objective of the Government Guaranteed Student Loan Scheme is to allow commercial banks to make loans to all students with an offer from a TEC recognised tertiary educational institution in Mauritius.

**(ii) Scope of Scheme**

The guarantee aims at ensuring that no one is turned away from tertiary education through lack of funds and is meant for students whose parents/spouse do not have the means to secure such a loan.

The student loans would cover tuition fees, books, registration fees, examination fees and other related expenses and the Government guarantee shall cover a principal amount of Rs 150,000 for students from Mauritius and Rs 210,000 for students from Rodrigues and the Outer Islands, plus any accrued interests including interest capitalized during the moratorium period (if any) and default interest.

**(iii) Eligibility for Guarantee from Government**

- (a) The loan scheme is aimed at Mauritian students;
- (b) The student should provide evidence that he/she and **his/her** parents/spouse cannot provide guarantee for the loan;
- (c) The student should have secured a seat in a TEC recognised local post- secondary educational institution;
- (d) The programme of study should not be less than the equivalent of one academic/full year of study;
- (e) The student should not have benefited from any scholarship.

(iv) **Procedures for Application for Government to guarantee student loans provided by Commercial Banks**

- (a) Applications should be made on the prescribed Application Form (Appendix I) and submitted to the Secretariat, Human Resource, Knowledge and Arts Development Fund, Ministry of Education, and Human Resources, 1<sup>st</sup> Floor, MITD (Ex IVTB)) House, Pont Fer, Phoenix.
- (b) A copy of the loan application to a Commercial bank for a loan not exceeding a principal amount of Rs 150,000 for students from Mauritius and Rs 210,000 for students from Rodrigues and the Outer Islands per year should be submitted.
- (c) The applicants should provide proof to the effect that he/she and his/her parents/spouse cannot provide security for the loan applied for. The letter issued by the commercial bank certifying that the bank is in receipt of an application for loan which is being processed (Appendix II) duly accompanied by a letter from the applicant certifying that he/she and his/her parents/spouse cannot provide guarantee for the loan applied for, shall be submitted to this effect.
- (d) The applicant should produce a copy of offer of seat at a local public or private post-secondary educational institution recognised by TEC.
- (e) The applicant should provide details of the course/programme on which he/she has enrolled.
- (f) The HRK&AD Fund Sub-Committee on Tertiary Education will process and evaluate applications received for guarantee. Recommendation will be made to the Main Committee for final decision. The Sub-Committee may co-opt members as and when appropriate.
- (g) The Tertiary Education Institutions should submit to the HRK&ADF a quarterly return on the attendance to courses and progress of the student benefiting of loans under this scheme.

(v) **Process at the commercial bank for issue of certificate for guarantee by the HRK&AD Fund**

- (a) The commercial bank will apply the same due diligence in its usual processing of applications for student loans and the processing of applications by the Commercial Banks shall be carried out on the basis of the scope of the Scheme as per (ii) above.
- (b) The commercial bank shall satisfy itself, as per the applicant's declaration that the latter and his/her parents/spouse cannot provide guarantee for the loan applied for.
- (c) After having satisfied itself as per (v)(b) above that a guarantee cannot be provided for, a request for provision of guarantee by the HRK&ADF should be made by the Commercial Bank on the prescribed letter (Appendix II).

(vi) **Follow up of repayment of loans by commercial bank**

- (a) A regular return (6 monthly) should be submitted by the commercial bank on repayment of loans by beneficiaries.
- (b) The Commercial Bank should notify the HRK&ADF, as per its established procedures, upon default for repayment of loan (both capital and interest).
- (c) The HRK&ADF should be advised of the actions taken by the commercial bank for loan recovery in cases of default.
- (d) The guarantee should be enforced after a period of 90 days following default by the borrower. During the 90 days period, the bank shall apply the same loan recovery procedures as per its established practice.

(vii) **Payment by the HRK&ADF to Commercial Bank upon default by borrower**

- (a) The guarantee provided by the HRK&ADF would be limited to the unpaid capital amount, and any accrued interest (including interest capitalized during the moratorium period) and default interests accrued for a maximum period of 90 days as from the date of default.
- (b) Within a period of seven working days following expiry of the 90 days period as per (vi)(d), the Bank should notify to the HRK&ADF the total amount payable to the Bank in terms of unpaid capital amount and accrued interest as per (vii)(a).
- (c) Upon receipt of such notification the HRK&ADF shall process repayment due to the Bank within a period of seven working days. During such period i.e. 14 working days as from the expiry of the aforesaid 90 days period no interest would be charged by the bank.

(viii) **Recovery from student in case of enforcement of Guarantee from the commercial bank**

In case of enforcement of the guarantee on a loan by the bank, the beneficiary should undertake to refund to the HRK&ADF the total amount paid by the latter to the commercial bank within a mutually agreed period. The undertaking at Appendix V should be signed by the students at the time of approval of provision of guarantee.

(ix) **Borrowers' Protection Act 2007**

The present Scheme does not fall within the provisions of the Borrowers' Protection Act 2007.

(x) **Rescheduling of loans and Review of the scheme**

- (a) Any requests from the student regarding the rescheduling of the loans shall be entertained upon receipt of the written consent of the HRK&ADF.
- (b) Appropriate mechanisms will be put in place to review the scheme on such terms and conditions as may be mutually agreed between the Fund and the Commercial Banks, on a regular basis.

**Human Resource Knowledge and Arts Development Fund**  
**(HRK&ADF)**

**Application form for the HRK&ADF to guarantee student loan provided by Commercial Banks**

The completed application form should be submitted to the Secretariat, Human Resource Knowledge and Arts Development fund, Ministry of Education and Human Resources, 1<sup>st</sup> Floor, MITD (Ex IVTB) House, Pont Fer, Phoenix together with necessary documents.

**To be filled in Block Letters**

**1. Personal Details**

Surname: Mr/Mrs/Miss (delete as appropriate).....

Forename: .....

Marital status: Single  Married  Divorced

Maiden Name (if applicable).....

Address: .....

E-mail: .....

National Identity Card No.....

Telephone No. (*Fixed*): ..... Mobile:.....

**2. This Section to be completed if applicant has previously applied for Scholarship or Government Guarantee under Schemes of the HRK&ADF.**

**2.1** Academic year for which applicant had applied for Scholarship :.....

Date of Application: .....

Outcome of previous application (***Please tick as appropriate***)

Scholarship granted

Scholarship declined

If Scholarship was granted, please attach copy of letter of award.

**2.2** Have you previously applied for bank guarantee under HRK&ADF scheme for Government Guarantee on Student Loan (***Please tick as appropriate***).

Yes  No

If "yes" please specify date of application:.....

Outcome of application (***Please tick as appropriate***).

Government Guarantee awarded

Government Guarantee not awarded

If Government Guarantee was awarded, please attach copy of letter of award.

**3. Details of Institution and Programme of study**

Name of institution at which admission/registration has been secured:

.....

Address: .....

Telephone No: .....

Programme of study enrolled for: .....

.....

Cost of Programme of study: **Rs**

General Fees  .....

Registration Fee .....

Tuition Fees .....

Other .....

**Total** .....

Duration of Programme of study: (Please state number of academic years).....

Stage reached at time of this application (Please specify the year).....

**4. Details of Bank at which application has been made for loan**

Name of Commercial Bank:.....

Address:.....

.....

Name of contact person at bank (if available):.....

Telephone No: .....

**5. Details of loan**

Capital Amount: Rs .....

Rate of interest applicable: .....

Duration of loan: .....

Moratorium period for loan (if any).....Years

Monthly reimbursement amount: .....

Tentative date of first reimbursement of loan .....

Duration of reimbursement: .....

Agreed/Proposed mode of reimbursement of loan with bank: (Please tick as appropriate)

- (i) Capital and Interest as from date of disbursement of loan
- (ii) Interest only as from date of disbursement of loan
- (iii) Capital only as from date of disbursement of loan
- (iv) Capital and capitalised interest after moratorium period
- (v) Capital and capitalised interest after getting a job
- (vi) Other (Please specify).....

.....

**6. Reasons why guarantee cannot be provided by parents/spouse**

.....  
.....  
.....

(Please submit proof)

**7. Are you benefitting from any other scholarship/sponsorship/Financial Assistance for the course/s for which application for Guarantee is hereby being made**

Yes  No

If "Yes" please provide the following details:

- (i) Amount of scholarship/sponsorship/Financial Assistance received :  
Rs.....
- (ii) Name of Organisation/Institution providing the scholarship/sponsorship/Financial Assistance.....  
.....
- (iii) Contact person from the organization/Institution at (ii) above:  
Name :.....  
Phone No : .....
- (iv) Other details.....

**8. Declaration**

I declare that to the best of my knowledge and belief the particulars given on this form are true and correct and that no information which might affect the decision of the Human Resource, Knowledge and Arts Development Fund has been withheld. I hereby agree to abide by the rules and regulations of the Human Resource, Knowledge and Arts Development Fund and undertake to refund to the Fund any amount it paid to the bank upon enforcement of the guarantee within a mutually agreed period and to sign an undertaking to that effect with the Fund.

Signature of Applicant: .....

Name of Applicant.....

Date: .....

## List of documents to be submitted with application for Guarantee

1. Copy of Birth certificate of applicant. Original should be produced for verification purposes.
2. Evidence of course/programme of study applied/enrolled for.
3. Evidence of enrolment at tertiary education institution or where seat is being sought.
4. Evidence of fees for Programme of study being followed or applied for.
5. Letter from bank that guarantee cannot be provided (Appendix II).
6. Letter from applicant to the effect that he/she and his/her parents/spouse cannot provide guarantee for the loan applied for.
7. Copy of National Identity Card of applicant.
8. Copy of Marriage Certificate of Parents.
9. Copy of Marriage Certificate (if applicable).
10. Letter of award of Scholarship under the HRK&ADF scheme (if applicable).
11. Letter of award of Government Guarantee for Student Loan under the HRK&ADF scheme (if applicable).



Reference/File No.....

**From the Manager**

.....

(Name of Commercial bank)

Address.....

.....

.....

Contact No.....

**To The Secretary  
Human Resource, Knowledge and Arts Development Fund  
Ministry of Education and Human Resources  
MITD (Ex IVTB) House  
Pont Fer  
Phoenix**

**Request for Guarantee on Student loan**

This is to certify that Mr/Mrs/Miss.....(Name of applicant) has applied for a student loan of Rs .....at the .....Bank.....Branch.

The loan is being processed.

The applicant has made a declaration to the effect that he/she and his/her parents/spouse cannot provide guarantee for the loan. A request is hereby being made to the Human Resource Knowledge and Arts Development Fund to provide the guarantee. As per the established procedures of the bank, we hereby submit the following information as communicated to us by the applicant.

Details are as follows:

**Section A**

**Loan**

- (i) Amount of loan applied for (Excluding Interests): Rs.....
- (ii) Total amount of loan on which guarantee from the Fund is required Rs ..... (including Rs..... being the capitalized interest amount during the moratorium period)
- (iii) Period of loan.....years
- (iv) Period of Moratorium.....years
- (v) Applicable rate of interest.....% p a.
- (vi) Repayment installment amount Rs.....

- (vii) Date on which repayment will start.....
  - (viii) Date on which repayment will end.....
  - (ix) Period for which guarantee is required .....
  - (x) Mode of Repayment.....
- .....
- .....

**Section B**

**Course/programme of study**

Institution at which student is enrolled.....

Course/ Programme of study.....

Level of course (Please tick)

Certificate

Diploma

Degree

Stage/Year of study reached by applicant .....

**Section C**

**Costs of course / Programme of study and related expenses**

Tuition fee Rs.....

Registration fees Rs.....

Estimated costs of books and educational materials Rs.....

Examination fees Rs.....

Library fees Rs.....

Other costs Rs.....Please provide details.....

**Section D**

**Other Information**

Please submit other necessary information deemed necessary for the processing of the request. ....

Signature.....

Full Name.....

Position.....

Bank.....

Telephone No.....Fax No .....

Date .....