EDUCATIONAL LOAN (BDL int. circ 486) - PRODUCT CRITERIA

EDUCATIONAL LOAN	
PRODUCT DEFINITION	
DESCRIPTION	Finance the education of students accepted in universities (Lebanon and Abroad)
APPLICANT	
Minimum Age	18 years old
Nationality	Lebanese
GUARANTEES REQUIRED	
CASE BY CASE	
PRODUCT	
Maximum loan Amount	LBP 150,000,000
Maximum loan Period	study period + 1 year grace period + 10 years for loan reimbursment
Grace Period (mandatory)	1 year
Loan Currency	LBP
Interest rate - client (renewable annually)	BDL weighted average LBP rate as at 31/12 - 4.5% with a minimum of 4% = **4% for year 2018**
Payment	Directly to the university upon presentation of the tuition slip
PROCEDURE	

Once file is approved, client signs the loan agreement with IBL and a copy is sent to BDL to get their approval on subsidy for the total amount of the loan. Once approval is received, we debit the client's account upon presentation of each tuition slip at the interest rate prevailing at that time (ex: 4% if first payment done in 2018) and inform BDL of each tuition fee paid (date + amount) increasing the balance of the overdraft and so on until the limit approved by the committee (total loan amount). During the study period, the client should pay only the interest amounts charged on his account. Every year, at loan anniversary, the interest rate on overdraft should be modified according to the rate provided by BDL on 31/12 of previous year. After Graduation, the overdraft is transformed into a loan over a maximum period of 10 years + 1 year of grace period with the same interest rate formula to be applied (interest rate to be renewed annually)

CHARGES	
Stamps	LBP 10,000 per year on loan contract + LBP 10,000 on Notarized pledge contract+ LBP 1,000 on payment schedule
File fees	LBP 0
Evaluation fees (if mortgage)	USD 250
Life Insurance fees	Single premium on loan granting
Early payment penalty	5% of the outstanding amount
late payment fees during study period (overdraft)	after 5 days: 12%
Late payment fees on loan (default payment)	after 5 days: 12%