

Skill Loan Scheme - Credit Guarantee Fund Scheme for Skill Development (CGFSSD)

Ministry of Skill Development & Entrepreneurship, Government of India

1. Scheme Overview

The Credit Guarantee Fund Scheme for Skill Development (CGFSSD) provides credit guarantee to lending institutions against defaults in skill loans extended to eligible individuals pursuing skill development courses. The scheme is administered through the National Credit Guarantee Trustee Company (NCGTC).

2. Loan Limit

- **Minimum Loan:** Rs.5,000
- **Maximum Loan:** Rs.7,50,000
- Loans are extended **without any collateral security and/or third-party guarantee.**

3. Interest Rate (as notified on 09.07.2026)

Category of Lender	Maximum Interest Rate
Public Sector Banks, Private Sector Banks, Foreign Banks	External Benchmark Lending Rate (EBLR) + 1.5% p.a.

4. Eligible Borrowers

- Indian nationals who meet minimum qualification criteria.
- Enrolled in:
 - **NSQF-aligned courses** offered by ITIs, Polytechnics, Schools recognized by Central/State Boards, Colleges affiliated to recognized Universities, Training Partners of NSDC/Sector Skill Councils, State Skill Missions, or State Skill Corporations.
 - **Non-NSQF aligned courses** onboarded on the **Skill India Digital Hub (SIDH)** portal of MSDE.
- Minors are eligible with parents/guardians as co-borrowers.

5. Eligible Courses

- No minimum course duration prescribed.
- Courses run by recognized training institutes leading to certificate/diploma/degree as per NSQF.
- Non-NSQF courses listed on the SIDH portal are also covered.

6. Guarantee Coverage

Loan Slab (Rs in Lakh)	Guarantee Coverage on Amount in Default
0.05 - 4.0	75%
4.0 - 7.5	70%

7. Guarantee Fee

- **0.125% per calendar quarter** (i.e., **0.50% per annum**) on outstanding portfolio balance.

- Payable by the Member Lending Institution (MLI) within 16 days from the end of each calendar quarter.

8. Repayment Tenure

Loan Amount	Repayment Tenure
Up to Rs.50,000	Up to 3 years
Rs.50,000 - Rs.1.0 lakh	Up to 5 years
Above Rs.1.0 lakh	Up to 7 years

9. Moratorium Period

Course Duration	Moratorium after Course Completion
Up to 1 year	Up to 6 months
Above 1 year	Up to 12 months

- Borrowers can prepay without any prepayment charges.

10. Contact / Implementing Agency

National Credit Guarantee Trustee Company (NCGTC)
(Set up by Government of India under the Companies Act, 1956 on March 28, 2014)

Website: www.ncgtc.in