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भारतीय राष्ट्रीय भुगतान निगम
NATIONAL PAYMENTS CORPORATION OF INDIA

July 17, 2018

To,

All NACH member banks

Introduction of new product type 'LON' in NACH

The Department of Higher Education under the Ministry of Human Resource Development, Government of India is implementing the Central Sector Interest Subsidy scheme for education loans to the eligible students under DBT. As per the scheme the subsidy amount released by the department should be credited directly to the loan account of the students (beneficiaries) using NACH (based on IFSC and Loan Account No).

To facilitate this scheme we are introducing a new product type "Credit to loan account" in the ACH credit input file for Loan ("LON") as an identifier for crediting the amount to the Loan account of the beneficiary. The details of the field are provided below:

Product	: ACH Credit
Product Identifier	: LON
Field length	: 262 to 264

The inward files generated will be in the format as given below.

ACH-CR-ABCD-DDMMYYYY-LON000001-INW.txt

Member banks are advised to take note of the change and put in place necessary system arrangements to process the transactions to the credit of loan accounts. The scheme will be commenced from August 01, 2018.

In case of any further clarifications, the same may be raised through CRM tool provided in NACH system. (Path: NACH portal→ACH → Utilities→ CRM Tracker)

With Warm Regards,

(Giridhar G.M.)
SVP - NACH and CTS Operations