

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3592

ANSWERED ON:15.12.2006

EDUCATION LOAN

Athawale Shri Ramdas;Bellarmin Shri A.V.;Patel Shri Jivabhai Ambalal;Singh Shri Uday

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has put banking industry on guard against the under influences in the sanctioning of mandatory loans for higher education as reported in the Hindustan Times dated November 20., 2006;
- (b) if so, the details thereof;
- (c) whether a large number of students who have taken, loans for higher education are unable to refund the same to the banks;
- (d) if so, the facts thereof; and
- (e) the steps taken by the Government in this regard?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMAMCKAM))

- (a) & (b): With a view that no deserving/meritorious student is denied opportunity to pursue his/her education for want of financial support, Indian Banks` Association (IBA) in consultation with Government has circulated Education Loan Scheme, 2001, which was revised in 2004, to all member banks for implementation. In order to ensure that the Scheme is implemented .- in letter and spirit, the Scheme provides broad guidelines to banks for operationaJising the Education Loan Scheme and the implementing bank will have the discretion to make changes suiting to the convenience of the students/ parents to make the scheme more customer friendly.
- (c) & (d): No Sir Vast portion of the loans under the Scheme have not yet become due for repayment.
- (e): Does not arise.