

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:311
ANSWERED ON:20.11.2009
LOAN TO POOR STUDENTS
Ramasubbu Shri S.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal to extend interest free educational loan to poor students;
- (b) if so, the details thereof and the number of students likely to be benefited under the Scheme in the coming years; and
- (c) the steps taken to ensure hassle free loan to the poor students?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMONARAIN MEENA)

(a) & (b): No, Sir. However, a scheme for full interest subsidy during the period of moratorium on loans taken by students belonging to economically weaker sections from the banks under the Education Loan Scheme of the Indian Banks' Association (IBA) for pursuing any of the approved courses of studies in technical and professional streams, from recognized institutions in India has been introduced by the Ministry of Human Resource Development.

(c): In order to provide better services to students across the country, the Public Sector Banks (PSBs) have been advised to institute an on-line system, not to reject/ pass on loan applications to other banks/branches on the grounds of age/area of operation. Further, the performance of PSBs under Education Loan Scheme is reviewed in quarterly meetings of Finance Minister with Chief Executives of Banks.