

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1520

ANSWERED ON:05.03.2010

EDUCATIONAL LOANS

Antony Shri Anto;Mandal Shri Mangani Lal;Venugopal Shri K. C.

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

- (a) the details of the targets set and achievements made for the disbursement of the educational loans during the last three years by the scheduled commercial banks, State/UT-wise and bank-wise;
- (b) the number of complaints received in regard to the sanctioning of educational loans to students during the said period, State/ UT-wise and bank-wise;
- (c) whether the Indian Banks Association's (IBA's) guidelines for providing the educational loans are at variance with the policy of the Government;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether the Government proposes to liberalise the terms and conditions for educational loans and extend the interest subsidy for the entire loan period;
- (f) if so, the details thereof; and
- (g) the further corrective measures taken by the Government for providing the educational loans?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAEV MEENA)

(a): No separate target is set for disbursement of education loans. However, educational loans up to Rs. 10 lakh for study in India and up to Rs. 20 lakh for study abroad fall within the overall target of 40% of Adjusted Net Bank Credit (ANBC) under priority sector lending for all domestic Scheduled Commercial Banks (SCBs). As per information furnished by Reserve Bank of India (RBI), bank-wise details of education loans outstanding in respect of Public Sector Banks (PSBs) under priority and non-priority sector for last three years is at Annexure-I. State-wise details of education loans outstanding under priority sector advances of PSBs for last three years are at Annexure-II.

(b): RBI and Indian Banks' Association (IBA) have reported that no data is maintained in regard to complaints on education loans.

However, specific complaints received regarding non sanction/delay in sanctioning loans received are being taken up with the concerned banks for remedial action.

(c) & (d): The Model Education Loan Scheme was circulated by the Indian Banks' Association (IBA) to the Banks in consultation with Government of India.

(e) & (f): No such proposal is under consideration. However, Ministry of Human Resource Development has proposed to introduce a scheme for interest subsidy during the period of moratorium on loans taken by students belonging to economically weaker section for pursuing higher education under educational loan scheme of Indian Banks' Association (IBA).

(g): With a view to provide better services to students across the country, the Public Sector Banks (PSBs) have been advised to institute an on-line loan application system, not to reject/pass on loan applications to other banks/branches on the ground of age/area of operation. Further, the performance of PSBs under Education Loan Scheme is being reviewed on quarterly basis.