

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4451

ANSWERED ON:20.08.2010

EDUCATIONAL LOAN

Bajwa Shri Partap Singh;Panda Shri Baijayant;Rao Shri Nama Nageswara;Singh Shri Ravneet

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

- (a) whether the Government proposes to provide educational loans to the students belonging to the economically weaker sections at a subsidised rate of interest;
- (b) if so, the details thereof alongwith the details of such students from economically weaker sections who have been provided educational loan during the last three years and the current financial year;
- (c) whether the Government proposes to set up an Education Bank for providing educational loans to such students;
- (d) if so, the details thereof;
- (e) whether the Government also proposes to set up a credit guarantee fund to give succour to banks in case of a default;
- (f) if so, the details thereof and whether such proposed fund is likely to be extended to loans above Rs. 4 lakhs keeping in view the rising cost of education; and
- (g) the steps taken/being taken by the Government in this regard?

**Answer**

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

(a) & (b): The Ministry of Human Resources Development has circulated Interest Subsidy Scheme on Educational Loan for Economically Weaker Sections (EWS) to banks on 25-05-2010. In terms of the Scheme, full interest subsidy would be provided by Government during the period of moratorium/study period and would be applicable to students from EWS with a parental upper income limit of Rs. 4.50 lakhs. The Scheme is for studies in recognized technical and professional courses in India. The Scheme would be applicable from the academic year 2009-10(with effect from 01-04-2009).

As per available information, the total loans outstanding and number of accounts under Educational Loan Scheme during the last three years were as under:

(Rs in crore)		
As on 31st March	No. of Accounts	Amount outstanding
2008	12,46,870	19,817
2009	16,03,385	27,646
2010	18,51,106	34,192

Source: IBA

(c) & (d): No such proposal is under consideration.

(e) to (g): Government has not taken any decision to set up a Credit Guarantee Fund in this regard.