

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5242  
ANSWERED ON:27.08.2010  
EDUCATIONAL LOANS  
Mandal Shri Mangani Lal

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

- (a) whether any location or service-wise restrictions have been imposed for securing the education loans from the banks;
- (b) if so, whether these conditions are proving to be a hurdle in seeking the education loans;
- (c) the total number of branches of the United Bank of India and the Allahabad Bank functioning in Bihar;
- (d) the details of the total education loan applications received as well as loans sanctioned against these applications by the branches of the said banks during each of the last three years and as on date;
- (e) whether the students of certain Education and Research Institutes have not been provided education loan by the United Bank of India in Patna and the Allahabad Bank in Muzaffarpur, due to non-submission of applications under the service sector; and
- (f) the corrective action taken by the Government in this regard?

**Answer**

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

(a) & (b): As per provisions under Model Educational Loan Scheme, circulated by Indian Banks` Association (IBA), the loan application is to be sanctioned as per delegation of powers, preferably by the branch nearest to the place of residence of parents. However, IBA has advised banks that the education loan applications should not be rejected or passed on to other banks/ branches on the ground of area of operation.

(c) & (d): As per information furnished by Allahabad Bank and United Bank of India, 161 branches of Allahabad Bank and 77 branches of United Bank of India are functioning in the State of Bihar.

The details of education loan applications received and sanctioned during the last three years and current year (upto 31-07-2010) by these banks are as under:

Name of bank / year    Number of applications received    Number of applications sanctioned

Allhabad Bank

2007-08	703	703
2008-09	786	780
2009-10	425	421
2010-11 (upto 31-07-10)	110	101

United Bank of India

2007-08	103	101
2008-09	111	106
2009-10	115	113

Source: Allahabad Bank and United Bank of India.

(e) & (f): Allahabad Bank has reported that no such cases have been reported by their Regional Office at Muzaffarpur.

The United Bank of India has reported that no proposal for education loan from students of recognized Education and Research Institute is rejected on account of service area.