

**GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:3559
ANSWERED ON:01.12.2010
NATIONAL EDUCATION FINANCE CORPORATION
Semmalai Shri S.

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

- (a) whether the Government is considering any proposal to create an authority to stand guarantee for education loans within the purview of National Education Finance Corporation (NEFC);
- (b) if so, the details thereof;
- (c) whether NEFC is entrusted to deal with infrastructure loans; and
- (d) if so, the rate of interest specified?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SMT. D. PURANDESWARI)

(a) to (d): There is a proposal under examination for establishment of National Education Finance Corporation (NEFC) for providing loans for infrastructure development and expansion of educational institutions, as well as refinance facility for educational loans. The proposal also envisages creation of a Credit Guarantee Fund Resource for Education Loans (CGREL). The proposed objective of CGREL is to provide guarantees to the advances granted to students for acquiring higher education, without obtaining any collateral security or third party guarantees.