

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:839  
ANSWERED ON:12.11.2010  
EDUCATION LOAN  
Ahir Shri Hansraj Gangaram

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

- (a) whether the Indian Bank Association (IBA) has decided for stamp-of-loan on the degree/certificate of students who raised education loan to pursue higher education;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has considered to bring down the present limit of annual income of the guardians fixed at Rs. 4.5 lakhs for education loan;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken/being taken by the Government to provide the benefits of educational loan to the customers?

**Answer**

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

(a) & (b): Indian Banks` Association (IBA) has reported that the Ministry of Human Resource Development (HRD) has initiated a proposal to dematerialize the educational awards/certificates. setting up of Depository for maintaining the records in dematerialized form and providing service to the users. This would facilitate online access for verification process, which would eliminate fraudulent practices like forging of certificates and marks sheets. There would be tag/marker on the degree of the student indicating his repayment liabilities. Electronic Tags will enable employers to identify loanees.

(c) & (d): As per Model Educational Loan Scheme, no parental/ guardian income limit has been fixed for availing education loan. However, the parental annual income limit has been fixed at Rs. 4.5 lakh under Interest Subsidy Scheme for the period of moratorium on educational loans taken by students from economically weaker sections by Ministry of HRD.

(e): A Model Educational Loan Scheme has been circulated by Indian Banks1 Association (IBA) to banks for implementation. The objective of the scheme is to provide financial support from banking system with affordable terms and conditions to deserving and meritorious students for pursuing higher education in the country and abroad. A Central Scheme to provide Interest Subsidy for the period of moratorium on educational loans taken by students from economically weaker sections from scheduled banks under the educational loan scheme of the Indian Banks` Association has been introduced by the Ministry of HRD.