

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:708
ANSWERED ON:25.02.2011
INTEREST SUBSIDY ON EDUCATIONAL LOANS
Anuragi Shri Ghansyam

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have decided to grant 100 per cent subsidy on the interest of education loan to the poor students;
- (b) if so, the details thereof alongwith the number of students likely to be benefited;
- (c) whether the income criteria has been fixed so as to identify the poor students;
- (d) if so, the details thereof;
- (e) whether the time period of such subsidy scheme has been prescribed;and
- (f) if so, the details thereof?

Answer

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

(a) & (b): The Ministry of Human Resource Development (HRD) has formulated and circulated to banks for implementation on 25th May, 2010, a Central Scheme to provide full interest subsidy for the period of moratorium on educational loans taken by the students from economically weaker sections from scheduled banks under the Educational Loan Scheme(ELS) of the Indian Banks` Association(IBA). The Scheme is applicable only for study in recognized technical /professional courses in India.

As per information available in Department of Financial Services, the increase in total number of accounts of Education loans in Public Sector Banks in 2009-10 over 2008-09 is about 3.35 lakh.

(c) & (d): The benefit under the Scheme are applicable to the students belonging to economically weaker sections having annual parental income (from all sources) with upper limit of Rs. 4.5 lakh.

(e) & (f): The Scheme is applicable from the academic year 2009 -10 starting 1st April, 2009.