

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:91

ANSWERED ON:05.08.2011

EDUCATIONAL LOAN

Das Shri Bhakta Charan;Mahto Shri Baidyanath Prasad

Will the Minister of FINANCE be pleased to state:

- (a) the detailed criterion adopted by the public and private sector banks for disbursing educational loans to the students including the students belonging to the economically weaker sections and those below the poverty line;
- (b) the details of educational loans disbursed by the said banks to such students during the last three years and the current financial year, bank-wise and State/UT-wise including Madhya Pradesh;
- (c) whether the Government has received complaints against banks for denial of educational loans to such students during the same period;
- (d) if so, the details thereof alongwith the action taken on such complaints; and
- (e) the corrective steps taken/being taken by the Government in this regard?

Answer

(MINISTER OF FINANCE) (SHRI PRANAB MUKHERJEE)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (A), (B), (C), (D) and (E) OF LOK SABHA STARRED QUESTION NO. 91 TO BE ANSWERED ON THE 5TH AUGUST, 2011 TABLED BY SHRI B.N. PRASAD MAHATO AND SHRI BHAKTA CHARAN DAS, REGARDING EDUCATIONAL LOAN

(a): Indian Banks' Association (IBA) has circulated a Model Educational Loan Scheme to its member banks. Banks can adopt the scheme with changes as may be considered necessary. The scheme is for all students including students belonging to the economically weaker sections and those below the poverty line. Indian National who have secured admission to professional/ technical courses in India or abroad through an entrance test/ merit based selection process are eligible for educational loan under the scheme.

(b): As per information furnished by Reserve Bank of India, bank-wise (public and private sector banks) as on last reporting Friday of March, 2009, 2010 and 2011 and State-wise details of education loans outstanding (public and private sector banks) as on last reporting Friday of March, 2008, 2009 and 2010 (latest available), are given at Annexure-I and II respectively.

(c) and (d): Complaints regarding non-sanction, non-disbursal or delay in sanction or disbursal of education loans, demand for security for loans below ` 4 lakh by banks are received. These complaints are taken up with the concerned banks for immediate corrective measures.

(e): The performance of public sector banks under educational loan scheme is reviewed on an ongoing basis. The banks have been advised to ensure that the Educational Loan Scheme is implemented in letter and spirit and that loan applications are disposed of within the prescribed time limit. The IBA is in the process of revising its Model Educational Loan Scheme in order to make it more customer-friendly.