

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

UNSTARRED QUESTION NO:1464

ANSWERED ON:30.11.2011

HIGHER EDUCATION LOAN

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

- (a) whether the Government's ambitious scheme to make higher education loans more attractive to poor students has failed to meet its target;
- (b) if so, the details thereof and the reasons therefor;
- (c) the total amount earmarked by the Government during the year 2010-2011 under interest subsidy scheme;
- (d) whether banks are reluctant to sanction loan under this scheme; and
- (e) the corrective measures taken/being taken by the Union Government to achieve this target and the guilty bank in this regard?

**Answer**

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

(a) & (b): The Ministry of Finance, Department of Financial Services have informed that no specific targets for Education loans are fixed. However, as per extant guidelines of Reserve Bank of India (RBI) on Priority Sector Lending, educational loans upto Rs.20.00 lakh (to individuals) are treated as Priority Sector Lending. The amount of education loans outstanding as well as the number of accounts in Public Sector Banks has increased considerably. The amount has increased three times from Rs.14,012 crore in March, 2007 to Rs.43,074 crore in March, 2011. Similarly, the number of accounts has also increased three times from about 7 lakh to 22 lakh during the same period.

(c): There was budget provision of Rs.500 crores in the year 2010-11 for Interest Subsidy on Education Loan.

(d): As per information given by Indian Banks' Association (IBA), banks are sanctioning loan under the scheme to all eligible student borrowers who comply with the requirements under the Scheme.

(e): Does not arise.