

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

UNSTARRED QUESTION NO:392

ANSWERED ON:14.03.2012

SETTING UP OF HIGHER EDUCATION CREDIT GUARANTEE AUTHORITY

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Dharmshi Shri Babar Gajanan;Naik Dr. Sanjeev Ganesh;Sule Supriya
;Yadav Shri Dharmendra

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

- (a) whether the Government is considering to set up a Higher Education Credit Guarantee Authority for providing limited credit guarantees through risk pooling for educational loans obtained by students;
- (b) if so, the details thereof including the modalities worked out in this regard;
- (c) whether the Government is planning to extend the scope of assistance to State universities through an incentivisation plan;
- (d) if so, the details thereof;
- (e) the concrete steps taken by the Government to provide loan to students on concessional rates; and
- (f) whether there is any proposal to increase the quantum of loans on offer for students and if so, the details thereof?

Answer

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

(a): Yes, Sir.

(b):The objective of Higher Education Credit Guarantee Authority is to provide guarantees to banks on loans given to students, for pursuing Higher Education, to reduce the risk perception about such loans. Limited credit guarantee by a Credit Guarantee Authority will be extended to the banks for student loans up to a specified limit at a nominal credit guarantee fee.

(c) & (d): The Higher Education Credit Guarantee Authority will provide guarantees to student loans for acquiring higher education in State Universities also.

(e): Government has started a new Scheme w.e.f. 2009 to provide full interest subsidy for the period of moratorium (course period plus one year or six months after getting job, whichever is earlier) on Education Loan to the students from Economically Weaker Section (EWS) with a total parental income upper limit of Rs. 4.50 lacs p.a. for pursuing approved technical/professional courses in India after class XII.

(f): No, Sir.