

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1840

ANSWERED ON:17.07.2009

EDUCATION LOAN

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Will the Minister of FINANCE be pleased to state:

- (a) the details of the formalities/procedures followed to extend education loan to students;
- (b) whether the existing formalities/procedures of obtaining such loan is cumbersome;
- (c) if so, the details thereof and the steps taken by the Government for its simplification;
- (d) whether the students faced any problem while making repayment of loans; and
- (e) if so, the steps taken by the Government to ease the process of repayment of educational loan?

Answer

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

- (a): Indian Banks` Association (IBA) has circulated a Model Education Loan Scheme to banks with broad operational guidelines. The banks are required to adopt these guidelines for extending education loans. The Model Education Loan Scheme is available on web site of IBA at www.iba.org.in.
- (b): No, Sir. Infact, many Banks have also made it possible for students to apply on-line,
- (c): Does not arise.
- (d) and (e): Keeping in view the slow down in job market, IBA has on June 29, 2009 advised banks to consider extension of the repayment holiday/moratorium period upto 2 years on case to case basis, on merit.