

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:213

ANSWERED ON:07.12.2012

EDUCATION LOANS

Mani Shri Jose K.;Raghavan Shri M. K.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has given any Instructions to the Public Sector Banks (PSBs) to make education loans for students more affordable with easier terms and conditions;
- (b) if so, the details thereof;
- (c) whether the Government has laid down certain guidelines in this regard and if so, the details thereof;
- (d) whether the Government has received any complaints against any banks for not implementing the said guidelines and if so, the details thereof, bank-wise and the action taken by the Government in this regard; and
- (e) the share of educational loans vis-a-vis their credit portfolio during each of the last three years and the current year, bank-wise ?

Answer

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

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

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 213 to be answered on 7th December, 2012 on Education Loans

(a) to (c): Indian Banks` Association (IBA) had prepared the Model Educational Loan Scheme and circulated to banks in the year 2001. This has been modified from time to time keeping in view the changing needs of the students. In the revised Educational Loan Scheme, inter alia, the repayment period of educational loans has been increased from 5-7 years earlier to 10-15 years.

(d): Complaints regarding educational loans, as and when received by the Government, are taken up with banks concerned for corrective action. As informed by Public Sector Banks, during 2012-13 (upto 30.09.2012), 5373 complaints related to education loans were received, out of which 5255 were disposed off and 118 were pending. The bank-wise details are at Annexure-I.

(e): As reported by Reserve Bank of India, the share of Educational Loans vis-a-vis Adjusted Net Bank Credit (ANBC) of Public Sector Banks for the year 2010, 2011 and 2012 is at Annexure-II.