

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:74
ANSWERED ON:01.03.2013
EDUCATION LOAN
Ray Shri Saugata;Thomas Shri P. T.

Will the Minister of FINANCE be pleased to state:

- (a) the number as well as percentage of students who availed loans for higher education along with the total loan amount sanctioned and disbursed during each of the last three years and the current year, State and bank-wise?
- (b) whether the Government has received complaints regarding certain banks refusing loans to the students during the said period;
- (c) if so, the details thereof, year-wise and the action taken by the Government thereon;
- (d) whether the Government has taken any decision on the proposal for establishment of Credit Guarantee Fund (CGF) for Educational Loans and, if so, the details thereof and if not, the time by which a final decision is likely to be taken in this regard; and
- (e) the steps taken/being taken by the Government to simplify the process for raising education loan and to redress the grievances of the students in this regard?

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. 74 for answer on 1st March, 2013 tabled by Prof. Saugata Roy and Shri P.T. Thomas regarding 'Education Loan'

(a): The details of education loans outstanding of Public Sector Banks, Bank-wise as on last reporting Friday of March, 2010, 2011, 2012 as per information maintained by Reserve Bank of India, and during the current year as on 31st December, 2012 (Provisional), as per data furnished by Public Sector Banks are given at Annexure-I. State-wise details during the same period is at Annexure-II.

(b) and (c): 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 31.12.2012), 7027 complaints related to education loans were received, out of which 6923 were disposed off and 104 were pending. The bank-wise details are at Annexure-III.

(d) The Government announced in the Budget 2012-13 setting up of a Credit Guarantee Fund (CGF) for education loans to ensure better flow of credit to deserving students. Process to set up the same is under way.

(e) The Model Educational Loan Scheme is modified from time to time by Indian Banks' Association (IBA) keeping in view the needs of the students. The last such revision was made in September, 2012. The educational loans outstanding amount of Public Sector Banks has been increasing over the years. It has increased from Rs.19,844 crore as on last reporting Friday of March, 2008 to Rs.52,982 crore as on 31st December, 2012.