

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5285
ANSWERED ON:26.04.2013
WAVING OFF EDUCATION LOAN
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal to waive off the education loans sanctioned to the students who could not get a job after completing their education;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government proposes to relax the rules for the students seeking education loans to study abroad; and
- (d) if so, the details thereof?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE) (SHRI NAMO NARAIN MEENA)

(a) and (b): No Madam. There is no proposal, at present under consideration to waive off the education loans sanctioned to the students who could not get a job after completing their studies. The Government had in the Budget, 2012-13 announced setting up of a Credit Guarantee Fund for Education Loans to ensure better flow of credit to deserving students.

(c) and (d): Education loans are extended as per Model Educational Loan Scheme of Indian Banks' Association (IBA) as adopted by the Banks. Under the Scheme, education loans can be given upto a ceiling of Rs.10 lakh in India and Rs.20 lakh abroad. Banks may consider higher quantum of loans on course to course basis. The Scheme is modified from time to time keeping in view the needs of the students. In the last such revision in September 2012, degree/diploma courses like aeronautical, pilot training, shipping etc, were added in the Model Scheme for studies abroad provided these are recognized by competent regulatory bodies in India/abroad for the purpose of employment in India/abroad.