

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

UNSTARRED QUESTION NO:1426
ANSWERED ON:14.08.2013
INTEREST SUBSIDY ON LOAN SCHEME
Jindal Shri Naveen

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

- (a) whether the Government has decided to grant 100 percent subsidy on the interest on loan granted for higher education to the students belonging to financially weaker households;
- (b) if so, the details thereof;
- (c) whether the Government proposes to raise the current annual parental income threshold of Rs.4.5 lacs for these students so that more students may become eligible for the interest subsidy under this scheme, in view of rising cost of higher education; and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DR. SHASHI THAROOR)

(a)&(b): Yes, Madam. From the academic year 2009-10, starting from 1st April, 2009, the Government has launched a new Central Scheme to provide full interest subsidy for the period of moratorium (i.e. course period plus 1 year or 6 months after getting job, whichever is earlier) on educational loans taken by students from Economically Weaker Sections from the scheduled banks under the Educational Loan Scheme of the Indian Banks` Association (IBA) to pursue Technical/Professional Courses in India.

The details of the scheme are available on this Ministry`s website at www.education.nic.in. It is estimated that over 25 lakh students have benefited since 1st April, 2009.

(c): No such proposal is under the consideration of the Government.

(d) Does not arise.