

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1758

ANSWERED ON:23.03.2012

EDUCATIONAL LOANS

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**Will the Minister of FINANCE be pleased to state:**

- (a) the detailed criterion adopted by the public and private sector banks for disbursing educational loans to the students including the students belonging to the economically weaker sections and those below the poverty line;
- (b) the details of educational loans disbursed by the said banks to such students during the last three years and the current financial year, bank-wise and State/UT-wise including Andhra Pradesh;
- (c) whether the Government has received complaints against banks for denial of educational loans to such students during the same period;
- (d) if so, the details thereof alongwith the action taken thereon;
- (e) whether the Government proposes to simplify the procedure to provide educational loan to students; and
- (f) if so, the details thereof alongwith the other corrective steps taken/being taken by the Government in this regard?

**Answer**

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

- (a): Indian Banks' Association has circulated revised Model Educational Loan Scheme to its member banks. Banks can adopt the scheme with discretion to make changes as deemed fit. Indian National who have secured admission to professional/technical courses in India or abroad through an entrance test/ merit based selection process are eligible for educational loan under the scheme. The scheme is for all students including students belonging to the economically weaker sections and those below the poverty line.
- (b): As per information furnished by Reserve Bank of India, bank-wise (public and private sector banks) as last reporting Friday of March, 2009, 2010 and 2011 and State-wise total loans for education (outstanding) (public and private sector banks) as on last reporting Friday of March, 2009, 2010 and 2011 are given at Annexure-I and II respectively.
- (c) and (d): Complaints regarding non-sanction, non-disbursal, delay in sanction, disbursal of education loans, demand for security for loans below Rs. 4 lakh by banks as and when received, are taken up with the concerned banks for immediate corrective measures.
- (e) and (f): The performance of public sector banks under educational loan scheme is reviewed on an ongoing basis. The banks have been advised to ensure that the Educational Loan Scheme is implemented in letter and spirit and that loan applications are disposed of within the prescribed time limit.