

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2006

ANSWERED ON:31.07.2015

Educational Loan

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

- a) Whether the Government has launched Central Sector Interest Subsidy (CSIS) scheme to provide full interest subsidy during the period of moratorium on education loan taken by the students belonging to the economically weaker sections of the society from scheduled banks under the education loan scheme;
- b) If so, the details thereof;
- c) The details of education loan applications sanctioned/pending and amount disbursed along with the number of students benefited during the last three years, State and bank-wise;
- d) whether the Government has received any complaints against banks for rejecting applications of meritorious students on the pretext of non-service area, if so, the details thereof along with the action taken thereon; and
- e) The steps taken/being taken by the Government to simplify education loan process and make it accessible to the students and redress the grievances of students in this regard?

**Answer**

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(SHRI JAYANT SINHA )

(a) & (b): Yes, Central Sector Interest Subsidy Scheme (CSIS) is administered by the Ministry of HRD. Under the scheme full interest subsidy is available for educational loans disbursed on or after 1st April, 2009, during the period of moratorium for the students belonging to economically weaker sections i.e. whose parental income from all sources does not exceed Rs 4.50 Lakh per annum. The moratorium period is course period plus one year or six months after getting job, whichever is earlier. Details of students benefitted under CSIS are as under:

Year	No. of A/cs	Amount (Rs in crore)
2009-10	644299	296.88
2010-11	898320	735.49
2011-12	983586	1198.88
2012-13	1077505	1681.86
2013-14	911792	1540.77
Total	4515502	5453.88

(c) State-wise data on education loan for the last three years is given at Annexure-I.

The bank-wise data on outstanding education loan reported and classified as priority sector advances by public sector banks as on last reporting Friday of March 2012 and last day of March 2013 and 2014 are furnished in Annexure-II.

(d) Complaints against banks on rejection of applications of education loan of meritorious students on non-service area grounds, as and when received by the Government, are taken up with banks concerned for corrective action. As informed by Public Sector Banks, during 2014-15, 5251 complaints related to education loans were received, out of which 5163 were disposed off.

(e): Hon'ble Finance Minister in the budget announcement for 2015-16 has proposed to set up a fully IT based Student Financial Aid Authority to administer and monitor Scholarship as well as Educational Loan Schemes, through the Pradhan Mantri Vidya Lakshmi Karyakram.

The banks have also been advised to keep in view primarily the larger public/societal interest involved while giving education loan. Also, while providing education loans, banks should primarily keep in mind the standing and stature of the institution.

List of all 'A' rated universities, colleges and technical institutions has been forwarded to IBA for onwards circulation to all Banks so that students getting admissions in these institutions could get educational loans with minimal formalities.

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