

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4285

ANSWERED ON:11.08.2017

NPAs of Educational Loan

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Will the Minister of FINANCE be pleased to state:

- (a) whether according to recent reports, the total education loan dues in the banking system had risen and if so, the details thereof;
- (b) whether the Non-Performing Assets (NPAs) on account of education loans disbursed by the banks has registered growth in the recent past;
- (c) if so, the details thereof along with the growth registered during the last three years, bank-wise;
- (d) whether the Government has conducted any study to find out the factors responsible for such increase and if so, the details thereof and the outcome thereof; and
- (e) the details of corrective measures taken by the Government to check such trend?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(a) to (c): Yes, the total education loan dues of banking system has risen. The details of the growth in Non-Performing Assets (NPAs) of Public Sector Banks during the last three years is given below:

(b)

Amount 'Rs in Crore'

Year

(As on 31st March of) Outstanding NPA

2015 62003.30 3536.02

2016 65454.42 4777.07

2017 67678.50 5191.72

Source: Indian Banks' Association (IBA)

Bank-wise position of NPA for Education loans during the last three years is Annexed.

(d) No such study has been conducted by the Government.

(e) Government has modified IBA Model Education Loan Scheme taking into account the needs of the students. The changes, inter-alia, include repayment holiday/moratorium of course period + 1 year, additional periods of moratorium taking into account spells of under-employment/unemployment during the life cycle of the loan, extension of repayment period to 15 years to reduce Equated Monthly Instalment (EMI), etc. Government of India has also launched a Credit Guarantee Fund Scheme for Education Loans (CGFEL) for loans uptoRs 7.50 Lakh. The fund provides guarantee to the extent of 75% of the defaulted amount. Further, Banks have been advised to adopt a non-coercive strategy for recovery of education loans.
