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Title: Regarding problems faced by students in getting education loans in Tamil Nadu.

SHRI J.M. AARON RASHID (THENI): Thank you very much. I would like to raise an urgent matter regarding a massive problem created by the bank managers regarding students' education loan in Tamil Nadu, especially in my constituency.

When highly deserving poor students and their parents approach the banks, the bank officials do not guide them in a proper way. They are asked to come several times; they are running from pillar to post, to get the loans sanctioned. Whenever they come, they are asking for several documents. According to the IBA guidelines, the branches should not demand collateral security for sanctioning students' education loan. They are asking for margin money and third party guarantee for sanctioning education loan, even for loans less than Rs.4 lakh. But many branches demand securities even for sanctioning loans up to Rs.4 lakh, and that too, they demand collateral security. Particularly the officials of the Bodi Branch of the State Bank treat the poor students with rudeness and often say that the banks are not the property of – sorry to say this – the Finance Minister, Shri P. Chidambaram, and so, we cannot give you the loan; whatever you want to do, you can do – this is the way they are speaking. They give only Rs.5,000 to the students of teachers' training. Whoever has recommended – either the MP or even higher-ups – they say that with these MPs' letters, we cannot sanction the education loan, whereas, they sanction Rs.1-2 crore to the builders and businessmen because their palms are greased by these persons. You are well aware that in these days, the fees of a student of 1<sup>st</sup> standard or KG or even pre-KG, is Rs.25,000-30,000. The fee in the Nursing and Engineering colleges is between Rs.1 to Rs.4 lakh. You can imagine the plight of the poor students, particularly teacher training students. Today is the Teachers' Day being celebrated as the birthday of Dr. Sarvepalli Radhakrishnan. On this day, I wish to bring to your attention that only Rs.5,000 is given as loan for the students undergoing teacher training whereas the fee charged is Rs.1 lakh. In such a situation how is it possible for the poor students to complete their studies? Through you, I would like to request the Government of India, the Hon. Minister, to bring legislation in this august House so that the poor students can take advantage of the Education Loan – started by the hon. UPA Chairman, Shrimati Sonia Gandhi – and complete their studies without any obstacle. With these words, I conclude.

MR. CHAIRMAN :

Shri Adhi Sankar is allowed to associate with the matter raised by Shri J.M. Aaron Rashid.