

>

Title: Need to reduce rate of interest on education loans for students.

SHRI ANTO ANTONY (PATHANAMATHITTA): I would request the Government to kindly waive off interests on the education loans that had been borrowed before 2009. Interest subsidy scheme being implemented by the Union Government is helpful to lakhs of economically weaker students pursuing technical and professional courses in approved institutes in the country. The Scheme provides a moratorium period which is one year from completion of the course or six months from joining a job whichever is earlier. During the period of moratorium, the Government is paying interest to the bankers. However, the scheme is applicable from the academic year 2009-10 only. As a result most of the deserving students are out of the coverage of the Scheme. Therefore, I would request the Government to kindly extend the coverage with retrospective effect.

Another concern regarding the education loan is its interest rates. It is the highest in the country as the bankers are imposing 14 to 18 per cent of interest on education loans. Spending on education is considered to be the best investment for the future generation. Therefore, all parents in the country wish to avail best education to their children at any cost. This is the rationale behind the borrowings in this regard. High interest rate will adversely affect the education and job prospects of the economically weaker students in the country. Therefore, I would request the Government to kindly reduce the interest rate on education loans.

MR. CHAIRMAN : Shrimati Botcha Jhansi Lakshmi and Dr. Prabha Kishor Taviad are allowed to associate themselves with the matter raised by Shri Antony.