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Title: Regarding problems faced for getting educational loans in the country.

SHRI P. VISWANATHAN (KANCHEEPURAM): Madam, Speaker, thank you for giving me this opportunity. I would like to draw the attention of this august House to a very serious problem concerning the students' community. The UPA-I Government had launched a student education loan scheme.

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13.00 hrs

But nowadays, students are facing many problems. The bankers are not giving loans properly to the students and thus, the students suffer from many obstacles in the Student Education Loan Scheme. The total outstanding amount in the Student Education Loan Scheme as on March, 2011 comes to Rs. 43 crore. The total number of beneficiaries is around 22,35,000 students. The increase in Non Performing Assets (NPAs) in Education Loan make the bankers to enforce strict norms or stringent conditions for fresh loans. The banks are now insisting on assets, mortgage and third party guarantee to secure their position. In reality, there will be no wilful defaulters in educational loans since the parents are involved as co-obligants.

Private financing attaches more responsibility on students rather than public funding of higher education by the Government. To subsidise the cost of higher education, the Government has launched Interest Subvention Scheme from 2009-10 for the students belonging to economically weaker sections. Our Finance Minister has increased the amount to Rs. 800 crores for the year 2012-12 from Rs. 640 crores earmarked for the previous year.

The students seeking admission under the management quota should be considered for educational loan.

Secondly, the Government should ease the provision of Interest Subvention Scheme and the settlement of NPA loan from Credit Guarantee Fund Scheme.

Thirdly, special refinancing for education loan should be considered by the Reserve Bank of India for recycling of funds. The Interest Subvention Scheme and Credit Guarantee Fund Scheme will definitely reduce the burden of students and bankers. The NPA portion has been covered under Credit Guarantee Fund Scheme announced by the hon. Finance Minister during this year. The refinance scheme for education loan will enhance the funds available with the banking sector for further deployment.

Above all, the Government as well as the private sector should create more employment opportunities. Otherwise, the education loan scheme has to be written off by the Government in future like agricultural loan and weavers' loan.

I request the hon. Finance Minister to consider the above mentioned requests and kindly look into the very serious problems faced by the student society.

MADAM SPEAKER: Shrimati Botcha Jhansi Lakshmi may be allowed to associate herself with the issue raised by Shri P. Viswanathan.