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Title: Regarding alleged illegal methods adopted by banks to recover loans from customers.

SHRI N.K. PREMACHANDRAN: Madam, the banks entrusted private agencies for recovery of arrears of loan amount, including educational loans. The agencies adopted unlawful means for threatening and harassing parents and students for collecting the amount without giving reasonable opportunity for getting the statement of accounts and settle the matter in accordance with law. This becomes a grave social issue.

In my State of Kerala, nationalized banks have entered into an agreement with M/s. Reliance Asset Reconstruction Company in realizing arrears of loan amount from the customers. The said agency and some other private agencies entered into an agreement with banks, including nationalized banks, for realization of non-performing assets of the bank from the customers adopted illegal means for recovery, which amounts to harassment and threatening the customers. Regulatory or controlling mechanism is not introduced for the monitoring functions of such agencies. It is harassing the poor children also. Those students who have availed of loans from the nationalized banks, these private agencies are harassing and threatening these students and parents.

So, I urge upon the Government to initiate urgent steps to stop the unlawful methods adopted for the recovery of arrears of loans by the banks, including nationalized banks with the help of private agencies. Thank you.

HON. SPEAKER: Shri Jose K. Mani and Kunwar Pushpendra Singh Chandel are permitted to associate with the issue raised by Shri N.K. Premachandran.