

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 3108
TO BE ANSWERED ON THE 28th MARCH, 2023, CHAITRA 7, 1945 (Saka)
‘Education Loan’

3108. SHRI R. GIRIRAJAN:

Will the Minister of FINANCE be pleased to state:

- a) whether Government has reduced the quantum of education loans to students pursuing higher education in the country and abroad, if so, the details thereof;
- b) the details of the educational loan provided to students pursuing higher education in the last five years, State-wise and year-wise; and
- c) the effective measures taken by Government to provide education loans to all deserving candidates for pursuing higher education?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

- a) “The Indian Banks’ Association (IBA) Model Educational Loan scheme for pursuing Higher education in India and Abroad” was formulated in the year 2001. Since then, the scheme had been modified from time to time, based on the experience gained and feedbacks received during its implementation over the years. As per the scheme guidelines of 2015, there were ceilings on educational loan amount i.e. maximum upto Rs.10 lakhs for Studies in India and maximum upto Rs.20 lakhs for Studies Abroad. As per the last revision undertaken in 2021, banks now have the freedom to provide need-based finance. Banks are broadly guided by the above Scheme while sanctioning educational loans.
- b) Details of the educational loan disbursed by Scheduled Commercial Banks (SCBs) to students pursuing higher education in the last five years, State-wise and year-wise as provided by the Reserve Bank of India (RBI) is at Annexure.
- c) Some of the measures taken by the Government to provide education loans to all deserving candidates for pursuing higher education is as under:
 - i. Government sets educational loan disbursement target for Public Sector Banks (PSBs) every financial year. For the FY 2022-23, the targets were enhanced by a growth of 20% over the previous year achievement/target whichever higher.
 - ii. Banks have the freedom to provide need-based finance, as per the latest revision of IBA Model Educational Loan scheme undertaken in 2021.
 - iii. The Department of Higher Education in the Ministry of Education is handling the Credit Guarantee Fund Scheme for Education Loans (CGFSEL). As per this Scheme, the credit guarantee is provided for education loans covered under Indian Banks’ Association (IBA) model education scheme upto Rs. 7.5 lakh without any collateral security and third-party guarantee.
 - iv. Further, Government of India has also launched an online portal viz; Vidya Lakshmi Portal (VLP) to ensure hassle free education loans through a single window system to students. Student can apply, view, and track the education loan applications submitted to banks anytime, anywhere by accessing the portal. Further, the decision on a loan application is to be reported by the banks on VLP.

ANNEXURE AS REFERRED TO IN PART (b) OF THE REPLY

Amount disbursed under Educational Loans by Scheduled Commercial banks (SCBs)					
States	2017-18	2018-19	2019-20	2020-21	2021-22
	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed
Andamans and Nicobar Islands	2.69	3.42	4.01	3.99	4.62
Andhra Pradesh	1174.23	1269.12	1525.81	2205.08	1393.74
Arunachal Pradesh	2.59	2.23	2.23	1.16	1.79
Assam	107.99	99.18	107.84	83.55	99.81
Bihar	432.84	380.32	319.52	260.03	291.11
Chandigarh	72.23	71.8	85.06	76.32	127.92
Chattisgarh	143.75	144.61	161.31	139.22	149.03
Dadra & Nagar Haveli	1.97	2.49	3.69	3.13	5.04
Daman & Diu	1.84	40.84	2.16	2.63	3.22
Delhi	568.38	554.42	699.82	622.64	751.43
Goa	57.14	59.24	78.56	70.17	76
Gujarat	669.87	750.27	1006.92	773.66	1017.6
Haryana	331.31	412.96	477.01	428.8	445.83
Himachal Pradesh	81.7	90.29	93.33	81.2	89.92
Jammu & Kashmir	48.3	85.86	87.24	85.7	103.84
Jharkhand	331.79	327.83	343.5	303.04	320.76
Karnataka	1798.65	1812.2	2063	2045.8	1679.64
Kerala	1379.23	1627	2114.4	1919.64	2015.41
Lakshadweep	8.29	4.33	0.04	0	0.1
Madhya Pradesh	521.41	554.96	624.44	510.48	583.3
Maharashtra	1633.53	2315.03	2287	2139.72	2272.86
Manipur	8	5.81	6.87	6.48	6.47
Meghalaya	24.85	27.2	34.33	32.43	29.26
Mizoram	1.49	1.46	1.03	0.56	1.03
Nagaland	24.73	4.31	2.38	2.59	3.85
Orissa	293.18	271.91	303.39	312	293.65
Puducherry	51.1	49.09	52.49	48.49	42.1
Punjab	466.41	472.92	492.86	408.4	473.02
Rajasthan	387.33	448.02	537.05	479.87	511.71
Sikkim	61.06	3.3	2.97	2.58	3.17
Tamil Nadu	1932.82	1812.83	1970.91	1960.95	1634.43
Telangana	973.32	1043.58	1315.04	1765.07	1505.96
Tripura	17.32	15.21	14.62	13.24	17.38
Uttarakhand	358.38	475.86	476.51	367.75	223.57
Uttar Pradesh	596.71	530.61	654.88	650.05	889.59
West Bengal	168.2	517.78	601.26	544.41	647.16
TOTAL	14734.67	16288.27	18553.46	18350.83	17715.33

Source: Reserve Bank of India