

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2460**

ANSWERED ON TUESDAY, 17 DECEMBER, 2024, AGRAHAYANA, 26, 1946 (Saka)

**‘CRITERIA FOR AVAILING EDUCATIONAL LOANS’**

2460 SHRI ANIL KUMAR YADAV MANDADI:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has prescribed different criteria for availing education loans for different courses;
- (b) if so, the details thereof;
- (c) whether the number of students availing educational loans have increased manifold over the years; and
- (d) if so, the number of students who have availed educational loans and total amount of educational loans disbursed between the financial years 2019-20 to 2024-25?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(**SH. PANKAJ CHAUDHARY**)

(a) to (b) All Scheduled Commercial Banks (SCBs) have been advised by Reserve Bank of India *vide* circular RPCD.PLNFS.BC.NO.83/06.12.05/2000-01 dated April 28, 2001 to adopt Model Education Loan Scheme (MELS), formulated by Indian Banks' Association (IBA). The Scheme has since been revised by IBA from time to time and its latest revision is MELS, 2022. The key features of the scheme are as under:

- The scheme provides need-based education loan.
- No collateral security/third-party guarantee is required for loans amount up to Rs. 7.50 lakhs (in case of loans that are eligible for CSIS and/or Credit Guarantee coverage extended under the 'Credit Guarantee Fund Scheme for Education Loan' (CGFSEL).
- No Margin for loans up to Rs. 4 lakhs.
- Moratorium period is allowed upto study period plus one year in all cases.
- Repayment period (after moratorium) is available upto 15 years for all loans.

Public Sector Banks (PSBs) also provide collateral free loans beyond Rs.7.50 lakhs, on case to case basis as per their Board approved policies.

Further, the MELS provides broad guidelines to the member banks for operationalizing the Educational Loan scheme and the implementing bank (s) have the discretion to fine tune the scheme as per their Board approved policies.

(c) to (d) Further, as per the information furnished by Public Sector Banks, over the years there has been significant growth in the number of accounts of education loan sanctioned, which has gone up from 1,99,085 in FY 2019-20 to 3,23,339 in FY 2023-24, indicating a growth of 62.41% during this period and the details of education loans disbursed as follows:

<b>FY</b>	<b>No. of Loan accounts (disbursed)</b>	<b>Amount Disbursed (Rs. In crore)</b>
<b>2019-20</b>	6,11,933	15,282
<b>2020-21</b>	4,07,395	11,558
<b>2021-22</b>	4,56,703	16,183
<b>2022-23</b>	6,29,594	24,997
<b>2023-24</b>	7,36,580	28,699

\*Data for FY 2024-25 is not yet available.

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