

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA**

**UNSTARRED QUESTION NO. 4126
TO BE ANSWERED ON THE 9TH DECEMBER, 2016, AGRAHAYANA 18, 1938 (SAKA)
NPAs OF EDUCATIONAL LOAN**

4126. SHRI M. CHANDRAKASI:

Will the **Minister of FINANCE** be pleased to state:

- a) the amount of education loan sanctioned and number of beneficiaries during each of the last three years and the percentage of Non-Performing Assets (NPAs) of education loan sector as on date;
- b) whether some banks have debarred candidates who failed to repay their education loan from appearing in the banking services selection tests, if so, details thereof; and
- c) the steps being taken by the Government to mitigate the hardships of hapless, educated and unemployed youth who are unable to repay their loans and coercive measures of banks who employ collection agents to collect their dues?

**ANSWER
(MINISTER OF STATE IN THE MINISTRY OF FINANCE)
(SHRI SANTOSH KUMAR GANGWAR)**

- (a) The amount of education loan sanctioned and number of beneficiaries during the last three years are given as under:

2013-14		2014-15		2015-16	
Amount in Crore	Number of Accounts	Amount in Crore	Number of Accounts	Amount in Crore	Number of Accounts
133984	766314	14693	668889	15729	598187

Source: Indian Banks' Association (IBA)

As per the information provided by the Reserve Bank of India, the percentage of Non-Performing Assets (NPA) of Public Sector Banks, on account of education loans, as on 31.03.2016 was 6.94%.

(b) State Bank of India (SBI) has informed that the new recruits on joining the Bank will deal with public money and eventually when they grow up in the organisation, will sanction loans and recover NPAs. If they themselves have defaulted in loan repayment, it may come in their way of discharging their role effectively and particularly in dealing with loan defaulters. The stipulation regarding ineligibility of defaulters is in respect of all types of loans and not only for education loan. However, this matter is sub-judice.

(c) IBA Model Scheme has been revised in 2015 wherein Repayment Holiday / Moratorium has been kept as Course period + 1 year. Banks may also provide additional periods of moratorium taking into account spells of under-employment/unemployment, say two or three times (maximum of 6 months at a time) during the life cycle of the loan. Repayment period has been extended to 15 years in all cases to reduce Equated Monthly Instalment (EMI) payable. Government of India has launched a Credit Guarantee Fund Scheme for Education Loans (CGFEL) for loans upto Rs 7.50 Lakh. The fund provides guarantee to the extent of 75% of the defaulted amount. Further, considering the social role which education loan fulfils, banks have been advised to adopt non-coercive strategy as regard recovery of education loans is concerned.
