

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**DEPARTMENT OF FINANCIAL SERVICES**  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 5675**  
**TO BE ANSWERED ON THE 7<sup>TH</sup> APRIL, 2017, CHAITRA 17, 1939 (SAKA)**  
**EDUCATIONAL LOAN**

**5675. SHRI GODSE HEMANT TUKARAM:**

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

- (a) whether the Public Sector Banks (PSBs) have fixed the cut off marks for providing educational loans to the students including economically backward student;
- (b) if so, the details thereof along with the cut off marks fixed by banks;
- (c) whether the Madras High Court has instructed the banks to provide educational loans to the students who have secured less marks than the cut off marks and if so, the details thereof;
- (d) whether the Government proposes to issue guidelines to the banks in this regard and if so, the details thereof; and
- (e) if not, the manner in which the Government is likely to ensure that such students are not deprived of educational loan?

**ANSWER**

**(MINISTER OF STATE IN THE MINISTRY OF FINANCE)**

**(SHRI SANTOSH KUMAR GANGWAR)**

(a) & (b) Banks follow the IBA Model Educational Loan Scheme which aims to provide financial support to meritorious students for pursuing higher education in India and abroad. As per the eligibility criteria of the Scheme, the student should have secured admission to a higher education course in recognized institutions in India or Abroad through Entrance Test/ Merit Based Selection process after completion of Higher Secondary (10 plus 2 or equivalent). However, entrance test or selection purely based on marks obtained in qualifying examination may not be the criterion for admission to some of the post graduate courses or research programmes. In such cases, banks adopt appropriate criteria based on employability and reputation of the institution concerned. Within the above eligibility criteria some banks provide for cut-off marks for availing education loan.

(c), (d) & (e) Honorable Madras High Court has instructed the Indian Overseas Bank to provide education loans in seven cases where the students have secured less marks from the cut off mark. Bank has filed appeal for the same. The existing guidelines for availing education loan provide enough flexibility to the banks to ensure that no meritorious student is deprived of educational loan.

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