

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

UNSTARRED QUESTION NO. 1315

TO BE ANSWERED ON THE 9th FEBRUARY, 2018, MAGHA 20, 1939 (SAKA)

Defaulted Education Loans

1315. SHRI C.N.JAYADEVAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Bank of India (SBI) has engaged recovery agents for recovery of defaulted education loans;
- (a) if so, the details thereof;
- (b) the details of the Non-Performing Assets (NPAs) on account of education loan disbursed by Public Sector Banks as per the latest data available; and
- (c) whether the Government has adopted a policy that coercive methods should be avoided for recovery of educational loans; and
- (d) if so, the details thereof and if not, the reasons therefor?

**ANSWER
(MINISTER OF STATE IN THE MINISTRY OF FINANCE)
(SHRI SHIV PRATAP SHUKLA)**

(a) & (b): State Bank of India (SBI) has engaged services of recovery agents for recovering Non-Performing Assets (NPAs) in all segments including education loans. As informed by SBI, M/s TVS Credit Services Ltd has been engaged as recovery agent.

RBI has issued guidelines dated 24th April, 2008 which permit banks to engage recovery agents for recovery of all loans. Sale of loans to Asset Reconstruction Companies (ARCs) is in line with RBI guidelines and is a part of the strategy of banks to reduce Non-Performing Assets (NPAs) so that blocked funds get recycled and fresh loans can be given to the aspiring and needy students to help them pursue their career goals.

(c) NPA in education loan of Public Sector Banks as on March, 2017 is Rs 5191.72 crore which comes to 7.67% of the outstanding education loan of Rs 67678.50 crore.

(d) & (e) Government has advised banks to adopt non-coercive differentiated strategy in so far as recovery of education loan is concerned.
