

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

UNSTARRED QUESTION NO. 3513

TO BE ANSWERED ON THE 16th MARCH, 2018, PHALGUNA 25, 1939 (SAKA)

Education Loans

3513. SHRI M. MURALI MOHAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering to provide education loans without any collateral upto 10-15 lakhs for Engineering Courses and upto Rs. 20-25 lakhs for Medicine and other professional courses, if so, the details thereof;
- (b) whether the Government has received complaints from the parents, students regarding refusal of sanctioning of study loans to the students on the pretext of bad cases of CIBIL reports, if so, the details thereof;
- (c) whether all the Banks have been directed to sanction study loans without affecting CIBIL reports of the parents; and
- (d) if so, the details thereof?

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

- (a) Presently, all education loans upto Rs 4 Lakh are collateral free as per Reserve Bank of India (RBI) guidelines. Further, Government of India has launched a Credit Guarantee Fund Scheme for Education Loans (CGFSEL) wherein collateral free loan is given upto Rs.7.5 lakh. No such proposal is under consideration.
- (b) Complaints regarding educational loans, as and when received by the Government, are taken up with Banks concerned for corrective action.
- (c) & (d) As per Reserve Bank of India (RBI) directions, it is mandatory for Banks to report credit information including education loans to credit information agencies like CIBIL (Credit Information Bureau of India Limited) to ensure credit discipline. However, Banks have been advised that in case of adverse credit history of the parent/guardian of the student, as a prudent measure, they can insist on a joint borrower acceptable to the Bank.
