

GOVERNMENT OF INDIA  
MINISTRY OF HUMAN RESOURCE DEVELOPMENT  
DEPARTMENT OF HIGHER EDUCATION

**LOK SABHA**  
UNSTARRED QUESTION NO.694  
TO BE ANSWERED ON 23.07.2018

**Credit Guarantee Fund for Education Loan**

694. KUMARI SHOBHA KARANDLAJE:

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

- (a) whether the Government has approved the continuation of credit guarantee fund for educational loans scheme with a financial outlay of Rs. 6600 crore for period from 2017-18 to 2019-20;
- (b) if so, the details thereof;
- (c) whether under the revised scheme, the number of loans per year are expected to be at least 3.3 lakhs, showing a 20 per cent increase over the previous scheme, if so, the details thereof; and
- (d) the details of other major initiatives of the Government to make quality education affordable to all?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT**

**(DR. SATYA PAL SINGH)**

(a): The Government has approved the continuation of Credit Guarantee Fund for Education Loans Scheme along with the continuation and modification of Central Sector Interest Subsidy Scheme which are functioning under one head as 'Interest Subsidy and Contribution for Guarantee Fund' with a financial outlay of Rs. 6,600 crore for the period from 2017-18 to 2019-20.

(b) Under the Central Sector Interest Subsidy (CSIS) Scheme, full interest subsidy is provided during the moratorium period (course period+1 year) on the education loan up to Rs. 7.5 lakh, taken from Scheduled Banks under the Model Education Loan Scheme for pursuing professional/ technical courses only from NAAC accredited Institutions or professional/ technical programmes accredited by NBA or Institutions of National Importance or Central Funded Technical Institutions (CFTIs) and those professional courses, which do not come under the ambit of NAAC or NBA, would require approval of the respective regulatory body. The benefits of the Scheme are applicable to students belonging to economically weaker sections of the society having parental income up to Rs. 4.5 lakh per year.

Under the Credit Guarantee Fund for Educational Loans (CGFEL) Scheme, guarantee is provided on the education loan for a maximum amount of Rs. 7.5 lakh, disbursed without any collateral security and third party guarantee.

(c): Yes, Madam. From 2014-15 to 2016-17, on an average 2.82 lakh students per year have been benefitted under the CSIS scheme. As awareness about the scheme amongst the student community has increased over the years, it is envisaged that there would be 20 per cent increase in the number of beneficiaries.

d) The Central Government being sensitive to the needs for ensuring equity in access to higher education, has undertaken comprehensive demand side financing through fee waiver, reimbursement of tuition fees, scholarships/fellowships, interest subsidy, education loan and credit guarantee on education loan for making quality education affordable to all thereby ensuring that the cost of education does not impede the educational prospects of students in general, especially of students belonging to the economically weaker sections of the society.

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