

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

**UNSTARRED QUESTION NO. 1499**

**TO BE ANSWERED ON THE 1<sup>st</sup> JULY, 2019, ASHADHA 10, 1941 (SAKA)  
Education Loan**

**1499. SHRI KODIKUNNIL SURESH:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the unnecessary delay in disbursement of education loan from nationalized banks in India;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government has given any instructions to the nationalized banks for submitting more collateral securities from students applying for education loans; and;

(d) if so, the details thereof and the details of sanctioned and rejected application in nationalized banks during the last three years in the country, State-wise including Kerala?

**ANSWER  
(FINANCE MINISTER)  
(SMT. NIRMALA SITHARAMAN)**

(a) & (b): The education loans are sanctioned as per the guidelines laid down by Indian Banks' Association (IBA) from time to time. The process involved in sanction & disbursement of education loan is as under:

- I. Upon receipt of application, standard acknowledgement giving a reference number is issued. The acknowledgement contains contact details of the bank official who could be contacted in case of delay in disposal of application.
- II. Normally, sanction/rejection is communicated within 15 days of receipt of duly completed application with supporting documents.
- III. Rejection of loan application, if any, is done with the concurrence of the controlling authority of the branch concerned and conveyed to the student stating reason for rejection.
- IV. The loan is disbursed in stages as per the requirement/ demand directly to the Institutions/ Vendors of equipments / instruments to the extent possible.

Further, Government has launched Vidya Lakshmi Portal to ensure students can avail loans easily through single window system of banks.

However, Complaints regarding education loans as and when received by the Government are taken up with banks concerned for corrective action.

(c) No such instructions have been given. 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.

(d) As per the information furnished by PSBs, details of sanctioned and rejected application in nationalized banks during the last three years in the country, State-wise including Kerala are at Annexure-I.

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**Details of sanctioned and rejected applications in Public Sector Banks (PSBs)**

States	2016-17		2017-18		2018
	Total No. of Application Sanctioned	Total No. of Application Rejected	Total No. of Application Sanctioned	Total No. of Application Rejected	Total No. of Application Sanctioned
Andaman & Nicobar Island	44	3	45	4	44
Andhra Pradesh	11749	695	13101	774	15100
Arunachal Pradesh	50	5	49	5	43
Assam	1768	202	1989	188	1709
Bihar	7676	479	14813	909	4113
Chandigarh	536	47	535	53	623
Chattisgarh	2308	216	2386	188	2194
Dadra & Nagar Haveli	7	0	32	1	37
Daman & Diu	23	2	27	1	21
Delhi	4954	379	5865	419	5484
Goa	596	49	680	47	748
Gujarat	5245	412	7300	503	8945
Haryana	3306	217	4280	263	4389
Himachal Pradesh	1576	68	1884	82	1626
Jammu & Kashmir	405	32	475	35	483
Jharkhand	9529	484	9692	403	8121
Karnataka	17310	667	18864	1048	17904
Kerala	15889	866	17405	1255	18977
Lakshadweep	161	2	148	0	83
Madhya Pradesh	8318	664	8876	620	7852
Maharashtra	23162	1829	26156	1803	26633
Manipur	110	21	152	40	109
Meghalaya	500	53	470	42	417
Mizoram	27	4	27	6	21
Nagaland	354	13	364	14	287
Orissa	5208	322	4876	373	4487
Puducherry	673	80	655	107	732
Punjab	4107	233	4644	259	4815
Rajasthan	3947	275	5256	363	5388
Sikkim	76	7	58	4	70
Tamil Nadu	37243	2675	32942	4867	26259
Telangana	6656	392	7606	508	8239
Tripura	335	37	265	34	252
Uttarakhand	4229	286	4991	326	5237
Uttar Pradesh	10385	498	11693	726	9622
West Bengal	7615	822	8361	853	7957
<b>Total</b>	<b>196077</b>	<b>13038</b>	<b>216962</b>	<b>17122</b>	<b>199021</b>

Source: PSBs