

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 3131

ANSWERED ON THE 20th MARCH, 2023/ PHALGUNA 29, 1944 (Saka)

‘EDUCATION LOANS’

3131: SHRIMATI APARAJITA SARANGI

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has formulated any new schemes/policies to provide easy educational loan to students in the recent years;
- (b) if so, the details thereof including the funds released/targets set and the achievements made under the schemes during the last three years and the current year; and
- (c) whether any survey has been made by the Banks for the estimated need of loan for higher education in future and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) and (b) “The Indian Banks’ Association (IBA) Model Educational Loan scheme for pursuing Higher education in India and Abroad” was formulated in the year 2001. Since then the scheme had been modified from time to time, based on the experience gained and feedbacks received during its implementation over the years. The last revision was undertaken during the year 2021.

Model Education Loan Scheme encompasses, *inter-alia*, broad guidelines regarding eligibility criteria, courses eligible for loan, quantum of finance, security and margin, rate of interest etc. Banks are broadly guided by the above Scheme while sanctioning educational loans.

Further, Government has also launched an online portal *viz*; Vidya Lakshmi Portal (VLP) to ensure hassle free education loans through a single window system to students. Student can apply, view, and track the education loan applications submitted to banks anytime, anywhere by accessing the portal. Further, the decision on a loan application is to be reported by the banks on VLP.

The targets set and the achievements made by the Public Sector Banks (PSBs) during the last three years and the current year is as under:

Year	Amount in Rs crore	
	Targets Set	Achievements
2019-20	16,626	15,263
2020-21	16,965	11,555
2021-22	16,965	16,183
2022-23 (01.04.22-31.12.22)	20,450	17,746
Source: PSBs		

Due to Covid Crisis, targets for the last three years had been kept at the same level. However, for the FY 2022-23, the targets have been appropriately enhanced by 20% over the previous year achievement/target, whichever is higher.

(c) As reported by PSBs, no such specific survey has been made by the Banks for the estimated need of loan for higher education in future. However, continuous feedback/suggestions are regularly solicited through internal mechanism of the banks so as to further improve upon the existing scheme, while ensuring necessary benchmarking.
