

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. †4189
TO BE ANSWERED ON THE 22nd MARCH, 2021, CHAITRA 1, 1943 (SAKA)
EDUCATION LOANS

†4189. SHRI DHARAMBIR SINGH:

Will the Minister of FINANCE be pleased to state:

- (a): whether the Government has taken cognizance of the suicides committed by the students due to unbearable pressure imposed by the public and private sector banks for the recovery of the education loans;
- (b): if so, the details thereof including the number of students who lost their lives;
- (c): whether the Government has data of such loans sanctioned by the banks currently which are repayable after getting employment and if so, the details thereof and if not, the reasons therefor; and
- (d): whether the Government proposes to waive-off the education loans of the unemployed youth of the country and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) & (b): As reported by Public Sector Banks (PSBs), no cases of suicide by students specifically linked to pressure for repayment of education loans has been reported. However, the banks have been sensitized to adopt a non-coercive strategy for recovery of education loans.

(c): The Model Educational Loan Scheme introduced by IBA is a source of financing higher education for credit constrained students. The Scheme, *inter-alia*, provides for relief to students post completion of the education course and while seeking jobs, in terms of liberal repayment of loan in equated monthly instalments for a period of 15 years, and repayment holiday/moratorium of 12 months after completion of course with facility for additional period of moratorium in case of underemployment/unemployment. There is also a moratorium for the incubation period if the student wants to take up a start-up venture and a provision of telescoping of repayment to provide for lower salary levels at the start of the career.

Education Loans sanctioned by PSBs during the last three years are as under:

Financial Year	Number	Loan Amount (Rs in Crore)
2017-18	2,17,688	15,852.92
2018-19	1,75,181	15,641.72
2019-20	1,98,298	19,746.55

Source: Indian Banks' Association

(d) There is no proposal currently under consideration of the Government for waiver of education loans.
