

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

UNSTARRED QUESTION NO. 1256

TO BE ANSWERED ON THE 06th DECEMBER, 2021, AGRAHAYANA 15, 1943 (SAKA)

EDUCATION LOANS

1256. SHRI JAMYANG TSERING NAMGYAL:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the instructions/guidelines issued by the Government/Reserve Bank of India to the banks for granting education loans for pursuing higher education;
- (b) whether nationalized banks are not granting education loan for post-graduation diploma courses conducted by colleges and approved by AICTE and if so, the reasons therefor;
- (c) whether as a result thereof the students particularly those belonging to SC/ST and poor class families are being exploited by the private banks by charging higher interest rates;
- (d) if so, the details thereof along with the corrective steps taken by the Government in this regard; and
- (e) the details of the education loans sanctioned and disbursed by the SBI for pursuing degree and diploma courses inside and outside the country during each of the last three years and the current year for the student of Union Jammu and Kashmir and Ladakh?

ANSWER

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

- (a) The Reserve Bank of India (RBI) has advised all Scheduled Commercial Banks (SCBs) to adopt Education Loan Scheme, formulated by Indian Banks' Association (IBA), vide circular RPCD.PLNFS. BC. NO.83/06.12.05/ 2000-01 dated April 28, 2001. Based on the experience gained, the scheme has been modified on 17th August, 2015 and 15th February, 2021.

This Scheme provides for financial support to meritorious students for pursuing higher education in India and abroad. Salient features of the scheme *inter-alia* include;

- (i) Need based finance to cover all the expenses required to complete the course viz; fee payable to college, hostel charges, purchase of books/equipments/instruments/uniforms, etc.
- (ii) Collateral free loans upto Rs 7.5 lakh under the Credit Guarantee Fund Scheme for Education Loans (CGFSEL)
- (iii) No Margin for loans upto Rs 7.50 lakh
- (iv) Repayment period of 15 years
- (v) One year moratorium for repayment after completion of studies in all cases
- (vi) Moratorium taking into account spells of unemployment/under-employment, say two or three times during the life cycle of the loan
- (vii) Moratorium for the incubation period if the student wants to take up a start-up venture after graduation.

(b) to (d): As per IBA Model Educational Loan Scheme, approved courses leading to graduate/post graduate degree and P G Diploma conducted by Colleges/ Universities recognized by the University Grants Commission, the All India Council for Technical Education, the Indian Council of Medical Research, etc. are eligible for education loan.

Accordingly, all nationalised banks and the State Bank of India (SBI) are granting education loan for post-graduation diploma courses conducted by the colleges and approved by AICTE without any discrimination.

(e) As per the information furnished by SBI, the details of the education loans sanctioned and disbursed by the SBI for pursuing degree and diploma courses inside and outside the country during each of the last three years and the current year for the student of Union Territories of Jammu and Kashmir and Ladakh are at Annexure.

Annexure referred in reply to part (e) of Lok Sabha Unstarred Question No. 1256 due for answer on 06.12.2021

A. Name of UT: Jammu and Kashmir

Rs. in Crore

Year	Inside the Country				Outside the Country			
	Loans Sanctioned		Loans Disbursed		Loans Sanctioned		Loans Disbursed	
	No. of Loans	Amount of Loan Sanctioned	No. of Loans	Amount of Loan Disbursed	No. of Loans	Amount of Loan Sanctioned	No. of Loans	Amount of Loan Disbursed
2018-19	138	10.90	107	8.56	25	7.61	7	0.86
2019-20	1199	72.17	599	16.49	84	24.82	70	5.24
2020-21	1118	72.60	296	8.67	88	26.03	46	4.45
2021-22 (up-to 30.09.21)	1135	79.21	93	27.40	234	5.45	44	3.82

B. Name of UT: Ladakh

Year	Inside the Country				Outside the Country			
	Loans Sanctioned		Loans Disbursed		Loans Sanctioned		Loans Disbursed	
	No. of Loans	Amount of Loan Sanctioned	No. of Loans	Amount of Loan Disbursed	No. of Loans	Amount of Loan Sanctioned	No. of Loans	Amount of Loan Disbursed
2018-19	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-
2020-21	6	0.42	2	0.11	1	0.23	1	0.11
2021-22 (Upto 30.09.21)	7	0.46	1	0.23	2	0.10	1	0.07