

GOVERNMENT OF INDIA
MINISTRY OF EDUCATION
DEPARTMENT OF HIGHER EDUCATION
LOK SABHA
UNSTARRED QUESTION NO. 128
ANSWERED ON- 03/02/2025

EXPANSION OF THE VIDYALAKSHMI SCHEME

128 SHRI THIRU D M KATHIR ANAND:

Will the Minister of EDUCATION be pleased to state:

- a) the details of the effective measures taken by the Government to expand the Vidyalakshmi scheme to students outside top-ranked institutions;
- b) the time by which the scheme is expected to be fully operational, and whether there is any interim support to students currently struggling with financial constraints, if so, the details thereof;
- c) whether the Government has any plans to relax the norms and conditions with regards to CIBIL score for poor students to get loans under the said scheme, if so the details thereof;
- d) the manner in which the Government ensure the sustainability of this scheme and whether there is a roadmap for increasing or adjusting the budget allocation as the number of beneficiaries grows, if so, the details thereof; and
- e) whether there are any provisions to ease loan repayment terms or provide loan waiver for students who face financial challenges after graduation, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF EDUCATION
(DR. SUKANTA MAJUMDAR)

(a) to (c): The PM Vidyalaxmi, a new central sector scheme has been launched on 6th November 2024. Under the scheme, collateral-free and guarantor-free education loan is provided to students getting merit-based admission in top Quality Higher Education Institutions (QHEIs). These QHEIs are selected based on the following criteria:

- Top 100 ranked HEIs in the overall/ category-specific rankings in latest list of NIRF published by the Ministry of Education; plus
- Top 200 ranked HEIs under the governance of state/UT governments in the latest list of NIRF published by the Ministry of Education; plus
- all remaining HEIs under the governance of Government of India.

The NIRF 2024 ranking has been considered to prepare the list QHEIs for academic year 2024-25 and 860 QHEIs have been selected for this. CIBIL score of students is not a criterion for sanction of education loans under the PM Vidyalaxmi scheme.

(d) Further, for students with annual family income up to ₹ 8 lakh, the scheme provides 3% interest subvention on loans up to ₹ 10 lakhs. Up to one lakh fresh students not getting any other scholarship or interest subvention on education loan will get this interest subvention. Duration of this interest subvention is the moratorium period, i.e., course period plus one year. Total outlay of interest subvention from 2024-25 to 2030-2031 is ₹ 3,600 crore.

(e) Under the Pradhan Mantri Uchchatar Shiksha Protsahan Credit Guarantee Fund Scheme for Education Loans (PM-USP CGFSEL) of the central government, credit guarantee is provided for education loans sanctioned up to ₹ 7.50 lakh. The guarantee cover is up to 75% of outstanding default. Further, under the model education loan scheme of the Indian Banks Association, the repayment period for education loan is up to 15 years after moratorium period (course period plus one year).
