

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

UNSTARRED QUESTION NO. 3771

ANSWERED ON MONDAY, 24th MARCH, 2025/ 3 CHAITRA 1947 (SAKA)

NEW SCHEMES/POLICIES TO PROVIDE EASY EDUCATIONAL LOANS

†3771. SHRI NARAYAN TATU RANE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has formulated any new schemes/policies to provide educational loans easily to students during the recent years;
- (b) if so, the details thereof and the funds released under these schemes during the last three years and the current year;
- (c) the details of the targets set and achieved so far; and
- (d) whether any survey has been conducted by the banks to estimate the future requirement of loans for higher education and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SH. PANKAJ CHAUDHARY)

(a) PM Vidyalaxmi scheme has been launched on 06.11.2024, which will enable loans through banks to meritorious students so that financial constraints do not prevent any youth of India from pursuing quality higher education. The scheme will facilitate and enable education loans to meritorious students who get admission in the top 860 Quality Higher Educational Institutions (QHEIs) in the country and enables meritorious students of these QHEIs to take collateral free, guarantor free education loans through a simple, transparent, student-friendly and entirely digital application process. The loan shall cover full amount of tuition fees and other specified expenses related to the course, for study in India only.

The scheme also provides for 3% interest subvention, during moratorium period, on loans up to ₹ 10 lakhs to a maximum of one lakh needy students in a year, who do not get benefit of any other scholarship/ interest subvention on education loans and whose annual family income is less than ₹ 8 lakhs. This is in addition to the full interest subvention already offered to students with up to ₹ 4.5 lakhs annual family income under CSIS.

Further, loan amounts up to ₹ 7.5 lakhs will also be provided a 75% credit guarantee by the Government of India, through National Credit Guarantee Trustee Company Ltd. (NCGTC).

Moreover, Model Education Loan Scheme (MELS) has been formulated by Indian Banks' Association (IBA) in the year 2001 and all Scheduled Commercial Banks (SCBs) have been

advised by Reserve Bank of India to adopt MELS. The Scheme has since been revised by IBA from time to time and its latest revision is MELS, 21.3.2024.

(b) As informed by the Ministry of Education, the funds released during the last three years and the current year under CSIS and CGFSEL is as under:

Amount in crore		
Scheme Name	Fund released during the last three years	Fund released during current year (upto February 2025)
CSIS	₹ 1990.02	₹ 514.36
CGFSEL	₹ 950.00	0.00

(c) As informed by the Ministry of Education, the year-wise target allocation for 3% interest subvention from FY 2024-25 to FY 2030-31 of PM-Vidyalaxmi is as under:

Financial year	Amount (₹ Crore)	Fresh claims	Renewal claims	Total No. of claims
2024-25	0	1,00,000	0	1,00,000
2025-26	75	1,00,000	1,00,000	2,00,000
2026-27	225	1,00,000	2,00,000	3,00,000
2027-28	450	1,00,000	3,00,000	4,00,000
2028-29	750	1,00,000	4,00,000	5,00,000
2029-30	1,050	1,00,000	4,00,000	5,00,000
2030-31	1,050	1,00,000	4,00,000	5,00,000
Total of 2024-25 to 2030-31	3,600	7,00,000	18,00,000	25,00,000

(d) As informed by Indian Banks' Association, no such survey to estimate the future requirement of loans for higher education has been conducted by banks yet.
