

GOVERNMENT OF INDIA
MINISTRY OF EDUCATION
DEPARTMENT OF HIGHER EDUCATION
LOK SABHA
STARRED QUESTION NO. 439
ANSWERED ON- 23.03.2026

DECLINE IN ACTIVE STUDENT EDUCATIONAL LOANS

*439. Shri Azad Kirti Jha:

Will the Minister of EDUCATION be pleased to state:

- (a) the number of active student loans and overall outstanding value of such loans during the last ten years;
- (b) whether it is a fact that there has been a decline in active student loans during the period from 2014 to 2025 with the overall outstanding loan values increasing simultaneously, if so, the details thereof along with the reasons therefor;
- (c) the details of key barriers in accessing educational loans, including high interest rates, collateral requirements, discriminatory banking practices among others, prohibiting poor students from accessing loans along with the measures taken by the Government thereon;
- (d) the details of funds sanctioned and disbursed under PM Vidyalaxmi scheme since inception, month-wise; and
- (e) whether it is also a fact that only 15 percent of the sanctioned budget between February and August 2025 had been disbursed and if so, the reasons thereof along with the measures being taken by the Government to expedite disbursement?

ANSWER

MINISTER OF EDUCATION
(SHRI DHARMENDRA PRADHAN)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF LOK SABHA STARRED QUESTION NO. 439 ANSWERED ON 23.03.2026 ASKED BY SHRI AZAD KIRTI JHA, HON'BLE MEMBER OF PARLIAMENT REGARDING 'DECLINE IN ACTIVE STUDENT EDUCATIONAL LOANS'

(a) to (c): Education is in the concurrent list and both the Central Government and State Governments work together for its improvement. The Government of India is implementing different education loan schemes for providing financial assistance for higher education to all students who desire to avail education loans to pursue higher education. There is no upper limit on number of education loans that can be sanctioned under these schemes.

The Central Government launched the PM Vidyalaxmi, a new Central Sector scheme in November 2024 that seeks to provide financial support to meritorious students including students from below poverty line category getting merit based admission in Quality Higher Education Institution (QHEIs). Under the PM Vidyalaxmi scheme, students getting merit-based admission in Quality Higher Education Institution (QHEIs) are eligible to get collateral-free, guarantor-free education loans from banks to cover full amount of tuition fees and other expenses related to the course. There is no upper limit on the number of such loans that can be sanctioned. Further, the repayment can be done up to 15 years after the moratorium period.

Further, the Department of Financial Services (DFS) has informed that all Scheduled Commercial Banks (SCBs) have been advised by Reserve Bank of India (RBI) to adopt Model Education Loan Scheme (MELS), formulated by Indian Banks' Association (IBA), 2022 (last amended on 23.6.2025). This scheme is available for all sections of the society. The main features of the scheme are as under:

- The scheme provides need-based education loan.
- No collateral security or third-party guarantee is required for loans amount up to ₹ 7.50 lakhs, provided they are eligible for Central Sector Interest Subsidy Scheme (CSIS)/ Credit Guarantee Fund Scheme for Education loan (CGFSEL).
- No Margin for loans up to ₹ 4 lakhs.
- Moratorium period is allowed up to study period plus one year in all cases.
- Repayment period (after moratorium) is available up to 15 years for all loans.

Further, the RBI vide its Circular on Collateral Free Loans - Educational Loan Scheme, has advised that banks must not, mandatorily, obtain collateral security in the case of educational loans up to ₹ 4 lakhs.

To facilitate the students from poorer households, the Department of Higher Education is implementing the PM-USP Central Sector Interest Subsidy Scheme (PM-USP CSIS). Under the PM USP-CSIS Scheme, full interest subvention is provided to all students, including students belonging to BPL who are pursuing technical/professional courses from approved National Assessment and Accreditation Council (NAAC) accredited HEIs/National Board of Accreditation (NBA) accredited courses, whose annual family income is up to ₹ 4.5 lakhs and for education loans up to ₹ 10 lakhs, during the moratorium period. There is no upper limit on number of student beneficiaries for this Scheme.

Further under the CGFSEL Scheme, credit guarantee is provided by government for loans up to ₹ 7.5 lakhs for students from all income groups. There is no upper limit on number of student beneficiaries for this Scheme.

In PM-Vidyalaxmi scheme too, a 3% interest subvention support during moratorium period (course period plus one year) is given every year up to one lakh fresh students having an

annual family income of up to ₹ 8 lakhs and not eligible for benefits under any other government scholarship or interest subvention schemes on education loans. An outlay of ₹ 3,600 Crore has been made during 2024-25 to 2030-31, and 7 lakh fresh students are expected to get the benefit of this interest subvention during the period.

The DFS has also informed that the details of number of loan accounts and amount outstanding of education loans by the Scheduled Commercial Banks (SCBs), Regional Rural Banks and Non-Banking Financial Companies, as reported by the Reserve Bank of India (RBI), are as follows:

Year	No. of Accounts	Amount Outstanding (₹ crores)
2014	24,30,711	54,110
2015	26,82,972	63,202
2016	27,17,418	68,493
2017	26,00,713	72,468
2018	25,65,524	77,013
2019	23,84,641	78,544
2020	23,99,332	92,133
2021	21,35,263	90,002
2022	21,94,042	99,728
2023	23,66,737	1,26,388
2024	24,13,747	1,65,126
2025	24,37,801	2,02,792

It may be seen that, post end of COVID pandemic, there has been an increase in number of education loan accounts on Year-on-Year basis from year 2021 to 2025.

Since 25th February, 2025, a new student-friendly portal <https://pmvidyalaxmi.co.in> has been launched, where a simple 2-page completely digital application format to apply for education loans has been provided to the students. The students can send applications to up to three banks of their choice. As per guidelines of PM-Vidyalaxmi scheme, interest rate charged by the banks shall be capped at individual bank's Externally Benchmarked Lending Rate (EBLR) + 0.5%. In all cases, the banks are also free to charge interest which is lower than this as per their policy. The Department of Higher Education and the Department of Financial Services, on a regular basis, review the progress of PM-Vidyalaxmi along with IBA and participating banks. Thus, the measures taken by Government is making the process of availing of education loans by all students, including poor students simpler.

(d) & (e):

The Details of Loan sanctioned and disbursed month-wise under the PM-Vidyalaxmi Scheme is as follows:

PMVL loans Month wise data (6th November 2024 to 16th March 2026)					
Sr. No	Month	Loan Sanctioned		Loan Disbursed	
		No. of Accounts	Amount (₹ crores)	No. of Accounts	Amount (₹ crores)
1	Nov 24 – Feb 25	11268	1099.57	11267	537.41
2	Mar-25	3243	492.32	3098	223.22
3	Apr-25	3224	481.15	3041	177.91
4	May-25	6524	1213.69	6056	284.7
5	Jun-25	9532	1626.26	8863	343.42
6	Jul-25	10975	1329.42	10248	269.64
7	Aug-25	8979	1055.7	8401	214.37
8	Sep-25	6887	785.96	6410	157.12
9	Oct-25	5622	622.48	5095	128.24
10	Nov-25	4391	481.46	3919	104.59
11	Dec-25	4808	517.99	3940	100.02
12	Jan-26	3179	333.65	2206	60.26
13	Feb-26	1725	241.23	946	39.54
14	Mar-26 (up to 16 th March 2026)	489	88.42	171	10.52
Total		69,865	9300.95	62,680	2131.38

In 2025-26, under the Pradhan Mantri Uchchatar Shiksha Protsahan, an amount of ₹ 1454.46 crore has been sanctioned under the Final Grants (FG) and till 18th March, 2026 ₹ 1454.01 crores have been certified and booked, which shows that nearly entire budget has already been used for disbursal.
