

**GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP**

LOK SABHA

**UNSTARRED QUESTION No. 479
TO BE ANSWERED ON 2nd DECEMBER, 2015**

SKILL LOANS TO YOUTH

QUESTION

479 : SHRI SHRI KIRTI AZAD:

Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

- (a) whether the Government provides/proposes to provide skill loans to youth;
- (b) if so, the details thereof and the criteria fixed therefore;
- (c) whether the Government proposes to increase the amount of loan;
- (d) if so, the details thereof and the role of State Governments in this regard; and
- (e) the time by which the loan amount is likely to be increased?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SKILL
DEVELOPMENT AND ENTREPRENEURSHIP
(SHRI RAJIV PRATAP RUDY)**

(a) to (e) Yes. A Skill Loan Scheme was launched by the Hon'ble Prime Minister on 15.7.2015 with a view to support youth who wish to go through skill training programmes in the Country. This Skill Loan Scheme replaced earlier Indian Banks Association (IBA) Model Loan Scheme for Vocational Education and Training. Bank of India has been the first bank to notify such a skill loan scheme.

Any Indian National who has secured admission in a course run by Industrial Training Institutes (ITIs), Polytechnics or in a school recognised by Central or State education Boards or in a college affiliated to recognised university, training partners affiliated to National Skill Development Corporation (NSDC) Sector Skill Councils, State Skill Mission, State Skill Corporation, preferably leading to a certificate/diploma/degree issued by such organisation as per National Skill Qualification Framework (NSQF) is eligible for a skilling loan. Loans may be given from 5,000/- to 150,000/- depending on the NSQF level at a simple rate of interest during the study period till commencement of repayment i.e. between 11% and 12 % by different banks and no processing fee would be charged by Banks/Money Financing Institutions. The repayment of loan will have following tenures. At present there is no proposal to increase the amount of loan.

Sl No	Amount of Loan	Tenures
1	Loans upto Rs. 50,000	Upto 3 years
2	Loans between Rs.50,000 to Rs 1 lakh	Upto 5 years
3	Loans above 1 lakh	Upto 7 years.
