

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2893

ANSWERED ON:17.12.2004

INTEREST ON EDUCATION LOAN

Chinta Mohan Dr. ;Jalappa Shri R.L.;Senthil Dr. Raman;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of FINANCE be pleased to state:

- (a) the percentage of interest on loan that is being charged to the students to pursue their higher and professional studies;
- (b) the amount of loan disbursed to the students during last three years as on date, State-wise, Bank-wise; and
- (c) the number of students benefitted therefrom during the said period?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a), (b) & (c): The interest rate on educational loans upto Rs.4 lakh is not to exceed the Benchmark Prime Lending Rates (BPLR) and for loans above Rs.4 lakh, the interest rate is not to exceed BPLR plus 1 percent. The scheme will cover all types of courses including professional courses in schools and colleges in India and abroad. The data generating system of Reserve Bank of India (RBI) does not provide the details of the State-wise information on educational loan disbursed. However, the bank-wise details of the number of accounts and amount disbursed under educational loan scheme during the last three years i.e. 2002-03, 2003-04 and 2004-05

(upto August, 2004) are indicated in the Annexure.