

**GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:2642
ANSWERED ON:17.08.2011
EDUCATION LOAN
Premdas Shri

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

- (a) whether the Government has decided to grant 100 per cent subsidy on the interest of education loan granted to the poor students;
- (b) if so, the details thereof alongwith the number of students likely to be benefited;
- (c) whether any income criteria has been fixed so as to identify the poor students;
- (d) if so, the details thereof;
- (e) whether the time period for such subsidy scheme has been prescribed; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT(Dr. D. PURANDESWARI)

- (a): The Government has launched a new Central Scheme to provide full interest subsidy on Educational Loans during the period of moratorium (i.e. duration of a recognised professional course plus 1 year, or 6 months after employment –whichever is earlier) on educational loans under the Indian Banks` Association (IBA) loan scheme for students belonging to economically weaker sections.
- (b): The details of the scheme are available on this Ministry`s website at www.education.nic.in. It is estimated that about 5 lakhs students would be availing the educational loan every year.
- (c) & (d): To be eligible for loan, annual parental family income from all sources should be Rs.4.50 lakhs or less.
- (e) & (f): The scheme has become effective from the academic year 2009-10. The loan taken after 1st April, 2009 will be eligible for interest subsidy under the scheme. No prospective time limit has been prescribed under the scheme.