

Title: Need to give educational loans to the poorer section of the society.

SHRI ARUNA KUMAR VUNDAVALLI (RAJAHMUNDRY): Sir, my issue is regarding Education Loan Scheme. Even though the guidelines in respect of the Education Loan Scheme clearly says that no security is needed for loans below Rs. 4 lakh, the bankers are rejecting all the applications given by the people belonging to lower middle class and below the poverty line. They cite the following clause for rejecting the applications.

"Where reputation/standing of the course/institution do not afford certainty of employment prospects commensurate with the repayment liability on completion of the course, the aspect of repayment capacity/income level of the parent(s) will need to be taken into account while deciding the quantum of finance/evaluating repayment capability or the desirability of sanctioning the loan. "

Showing this clause they are rejecting the applications of those people who are not in a position to provide any security. When I asked a banker to write down in the application that it is rejected on this ground, he said the application did not fulfil the other requirements such as borrower's bank account statement for the last six months; income tax assessment order of the last two years; brief statement of assets and liabilities of the co-borrower; and proof of income. A fellow who belongs to a BPL family cannot submit all this.

MR. SPEAKER: Instead of 'fellow', you can say 'person'.

SHRI ARUNA KUMAR VUNDAVALLI: It should be 'person'. I am sorry. I stand corrected.

I would like to request the hon. Finance Minister that some sort of order should be given to the banks to the effect that whenever meritorious students apply for loan, especially those belonging to BPL families and middle class families, they should be provided loans so that they can use it and come up in life. Thank you.

SHRIMATI D. PURANDESWARI (BAPATLA): I associate with the observation of the hon. Member.

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MR. SPEAKER: All hon. Members are associating with what he said.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): I gave information in this House that as of December, one lakh forty thousand education loans have been sanctioned throughout the country. Subsequently also a large number of loans have been sanctioned. I will reveal that number when I reply to the debate on the Finance Bill. Apart from that I have a whole file of applications which I have received. My officers have sent it to the banks concerned or the concerned branch of the bank and we have got responses. In eight out of ten cases, loans have been sanctioned. If the hon. Member has such a bad case in hand, he can give me the details. This is a very bad case. Even if one-half of the allegations made are correct, it is a very bad case of an irresponsible attitude of the Manager of the branch of the bank. Please give the name of the bank and the branch to me. I will take action....(*Interruptions*)

MR. SPEAKER: You send it to him.

SHRI P. CHIDAMBARAM: Give the particulars to me. Give me the list. ...(*Interruptions*)

MR. SPEAKER: The hon. Minister has assured you. You have got more than what you expected.

SHRI P. CHIDAMBARAM: Give me the list and I will take action. There are hundreds of applications.

MR. SPEAKER: I appreciate the immediate and favourable response of the hon. Minister.

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