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Title : Need to extend education loans on easy interest rates to students of Kerala pursuing various courses outside the state.

SHRI K.C. VENUGOPAL (ALAPPUZHA): The national bankers committee had decided to issue educational loans for students, as per the fee structure, which is announced by the concerned state governments. But it is very impracticable for Kerala as its major number of students are studying outside the state due to insufficient seats for professional courses. The fee structure is different in most of the states. In this context the students who are belonging to Kerala and studying outside are not able to receive loans from banks which are working in the limit of Kerala. So the government must issue necessary orders to the national level bankers committee to review the said decision.

The Central Government had given strict direction to the banks to issue maximum loan assistance for students who are applying for their educational needs. But the nationalized and scheduled banks working in Kerala have neglected the applications from students. As a highly educated state, most of the students prefer professional courses such as medical, engineering and nursing. As all are aware these courses are having high fees structure than other courses. Students who have secured admissions in various educational institutions are applying for loans in different banks. But all these banks have disagreed to receive such applications. It will cause many problems among students as well as parents. So the Government should ensure maximum disbursement of educational loans and should take appropriate and prompt action on those officials who made mistakes on proper loan disbursement for students.

The second important issue is the increased interest rate of educational loans. The rate of interest of educational loans is now up to 13%. These rates are not affordable for students, as most of them are hailing from poor families. So the Ministry of Finance must take necessary steps to review interest rates on education loans and it should be reduced to maximum 5%.