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Title: Need to extend interest subsidy to all the students availing education loans.

SHRI K.C. VENUGOPAL (ALAPPUZHA): Madam, I want to raise a very important matter and urgent matter before this august House for its consideration.

As we are all aware, last year the Union Cabinet had introduced an innovative scheme to waive interest on education loans. The scheme envisages providing full subsidy on interest on loans taken by students belonging to economically weaker sections from the banks under the Education Loan Scheme. This would definitely help a large number of poor students who are availing loans from banks.

Now, the bank authorities are pressurizing students to make interest payment during their course tenure, for the loans taken before April, 2009 saying they are not applicable for interest subsidy scheme. In fact, it is a violation of policies framed for education loan. After the announcement of interest subsidy on education loans, the parents who are availing education loans did not pay interest on their loans for the last few months. In view of above circumstances the bank authorities defer to issue next instalment of loans to student. This would generate severe situations among banks and students. In such a situation most of the students would be compelled to break off their education on a halfway due to financial problems. This situation will adversely affect the merit of this notable scheme and the Government should intervene in this issue timely for rescuing the future of lakhs of students in our country.

Most of the students belong to poor families and they do not have any source of paying higher rate of interest. For those suffering students, this decision of the UPA Government to provide interest subsidy was a relief from their hardships. As everyone is aware the fee structure and cost of education is not affordable for parents who are living in average living conditions in the States such as Kerala. If this condition may be continuing, lakhs of students from economically weaker sections will lose their future.

Therefore, the Government should take urgent action to extend the range of interest subsidy to all the students who are availing education loans currently. Also, ensure immediate distribution of the circular of the subsidy scheme, as it has not reached out to the banks so far. Also, the Government should ensure speedy implementation of this decision through apparent orders and instruct the banks *via* Indian Banks Association. Thank you....(*Interruptions*)

SHRI P.T. THOMAS (IDUKKI): Madam, it is a very serious matter.

SHRI KODIKKUNNIL SURESH (MAVELIKKARA): Madam, this is a very serious matter.

MADAM SPEAKER: Do you want to associate yourself with the matter raised by him? Please send your name to the Table.

Shri A.K.S. Vijayan and

Shri R. Thamaraiselvan with associate with the matter raised by Shri K.C. Venugopal.