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Title: Need to fix the interest rate on student loans at 5% and provide interest subsidy on loans taken by students since 2001.

SHRI M.I. SHANAVAS (WAYANAD): Thank you Mr. Chairman for giving me an opportunity to raise a very important matter which is not only confined to my constituency but all the constituencies all over India. Just like the farmers' suicide issue another issue of educational loan debt is looming large on the country.

When the education loan was liberalized, everybody could get the loan. People from all walks of life, especially the poor people, got the education loan. The great problem which is now facing the poor people is how to repay this loan. We thought that it was an investment for the future of the country. In the 'Zero Hour' I do not wish to make a long speech but I would like to say that in 2009, the UPA Government waived the interest on education loan. The problem is that the banks have initiated recovery proceedings from those who have taken loan prior to 2009. The poor farmers, the parents who are the co-guarantors are suffering a lot. Banks are charging interest at the rate of 10.5 per cent to 13 per cent. No student will be able to repay the loan after the completion of the course.

So, through you, I would appeal to the Government to take urgent steps to reduce the interest to 5 per cent and also make a revised repayment schedule of, at least, three years after the completion of the study. Otherwise, the farmers, who are the co-guarantors, will not be able to repay the loan and they will commit suicides. It will be a great tragedy for the country.