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Title: Need to extend interest subsidy to all educational loans irrespective of loan period.

SHRI K. P. DHANAPALAN (CHALAKUDY): Sir, I wish to draw the attention to an important matter today in this House. There are thousands of students in Kerala who pursue professional courses such as Engineering, Medicine, Nursing, MBA, MCA, etc. which involve lakhs of rupees as course fee. They mainly depend on education loans to pay their course fee. The very idea behind the education loan is to advance loans to help the students belonging to poor financial background and the repayment starts only after gaining a job or after one year of the completion of the course. The Central Government's direction is already there to give interest subsidy to the loan amount advanced after April 2009. The banks in the country act in a way to defeat the noble idea of the concept and thereby drag the students to suicide-like situations. In Kerala, the problem is more serious on the eve of the suicide of a number of students due to the denial of education loans to continue their studies. The latest incident in Kerala is the suicide of a Second Year nursing student Sruthi Sreekanth due to denial of education loan from the HDFC Bank. She was studying at Sree Chaithanya Nursing College, Tirupati. Besides, banks also deny educational loan to the students getting admission in management quota.

Hence, I request that the Government may immediately interfere with the matter and may take immediate action to compel the banks to disburse education loans in the manner prescribed by the Government and the RBI and thereby save the students from the situation of frustration and depression due to such arbitrary denial of education loans. Besides, steps may be taken to extend interest subsidy to all educational loans irrespective of the date of the loan period.

MR. CHAIRMAN:

Shri P.T. Thomas,

Dr. Botcha Jhansi Lakshmi and

Shri M.B. Rajesh are allowed to associate with the matter raised by Shri K.P. Dhanapalan.