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Title: Need to provide bank loan to students at lower rate of interest.

SHRI R. THAMARAISELVAN (DHARMAPURI): Thank you, Chairman, Sir. Today, education has become very expensive and out-of-reach for the poor students, and getting an employment has become a daunting task without a professional educational qualification. So, it has become necessary for every student to go in for higher education whether he or she belongs to rich or poor section of the society.

For the economically weaker students, bank loan is the only source to attain higher educational qualification. However, the banks are offering educational loan at an exorbitant rate of interest, which is nearly 14 per cent per annum. Of course, this is not affordable to the parents of students belonging to poor families. The banks are offering home loans and car loans at much lower rates than educational loan. The banks are offering car loans at an interest rate of nearly 11.50 per cent per annum and home loans at the interest rate of nearly 11 per cent per annum. Further, the banks are releasing installments of educational loans on a yearly-basis, and every year the installments are released only after re-payment of the interest of the previous year. This causes a lot of hardship to the poor students. Hence, this provision should be abolished. The students should be allowed to have a grace period for repayment of their interest on the principal loan amount, that is, till he / she gets a job.

Therefore, I urge upon the Government to provide educational loans to the students at lower rate of interest than any other loans provided by the banks, and also make a provision to waive-off the educational loan for the poor students who were not able to repay it due to unemployment as is being done in the case of farmers.