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Title: Need to provide educational loan to poor student with comparable repayment.

SHRI S.R. VIJAYA KUMAR (CHENNAI CENTRAL): Hon. Deputy-Speaker, Sir, I would like to bring to the notice of the august House an important matter. An independent expert Committee should be formed to investigate the administration of educational loan interest subsidy. In response to my submission in the Lok Sabha on 30<sup>th</sup> July, 2014 under Rule 377, the hon. Finance Minister has written that the banks have been advised not to insist on payment of interest when the students are eligible for interest subsidy on educational loan. He has also mentioned that the banks have been asked to follow the guidelines. But in reality we get a lot of complaints that the banks are forcing students to pay interest when they are eligible for interest subsidy. The poor students are forced to borrow money from all sources to repay the bank interest. The banks are creating only a small portion as eligible interest subsidy to the students. This defeats the very purpose of the scheme to provide educational loan to poor students with comparable repayment. We get reports that the SBI classifies the educational loans as NPA even within four to five months after the moratorium and refer to Lok Adalat. This is causing mental agony to young students. There seems to be a lot of mess in administering interest subsidy on educational loans. I would like to request the hon. Finance Minister to investigate the matter by forming a committee of independent experts.

Thank you.

HON. DEPUTY-SPEAKER: Shri Ram Tahal Chowdhury -- Not present

Shri Prahlad Patel -- Not present