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title: Regarding educational loan.

SHRI P.R. SENTHILNATHAN (SIVAGANGA): Sir, the hon. Chief Minister of Tamil Nadu, Puratchi Thalaivi Amma has allotted a sum of Rs.23,000 crore for the school education and higher education of students.

With the advent of more number of professional colleges in the last two decades in Tamil Nadu, the demand for educational loans is on the increase. Though the Centre has been promising that there should not be any hindrance in the timely disposal of education loan applications, many loan applications are being rejected even today.

The Union Government has also promised on the floor of this House that collateral security and a surety from a government servant will not be insisted but the banks are still demanding them. This comes in the way of the academic dreams of many promising students who hail from rural areas, and poor and middle class background. The banks are also delaying the processing of application till January even when applications are submitted well in advance in June or July. So, there is a need to fix a time limit for processing education loan applications. Citing that the academic year is nearing a close the loan is denied, and students and parents are left disappointed. Insistence on opening accounts in the Service Area Banks ignoring the applicants having accounts in other banks also come in the way.

Earlier, the education loan was extended to all the professional courses including MBA, MCA, B.Ed. and even polytechnics. Now, it is restricted only to B.E. and MBBS. This also affects the upward mobility of the depriving sections of the society. It may also be noted that many students from our country particularly from my Sivaganga constituency are seeking admission in MBBS courses in China, Russia and other countries. They are also not able to get education loans in time.

Hence, I would urge upon the Union Government to streamline the education loan schemes by extending government guarantee to such deserving students. Thank you.