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Title: Need to revamp education loan disbursement.

DR. K. GOPAL (NAGAPATTINAM): Education loans are being given to students for pursuing higher education. Earlier, economically poor students could not afford the cost of professional and higher education. However, the policy of giving education loan is deficient on many counts. It has no statutory backing or proper guidelines. Each bank has its own guidelines. Many banks often refuse the same on some silly and technical grounds. Guarantee and surety is always insisted upon for granting the loan.

The rate of interest on such loan also varies from bank to bank. Students and parents are harassed and have to run from pillar to post to get the loan disbursed. Students pursuing studies in Private institutions and seeking admission in management quota are not given loan.

So, the Central government should take the following steps:

- (1) Loans to be disbursed for pursuing professional courses such as medical, engineering or vocational course or education in any discipline in any college or institution or University.
- (2) The loan application should be disposed of within a period of one month from the date of its receipt.
- (3) The bank shall make payment directly to the head of the college or institution or University.
- (4) The bank should never deny an education loan to a student on any ground.
- (5) To do away with the system of guarantee, mortgage or surety for the purpose of disbursement of loan.
- (6) A bank official who refuses should be punished with imprisonment for a term or a fine equivalent to the amount of loan sought by the student.
- (7) The loan should be waived off, if a student, even after five years of completing his course, fails to get any employment.