

Sixteenth Loksabha

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Title: Regarding problems faced by students seeking education loans from erstwhile State Bank of Travancore in Kerala.

SHRI JOSE K. MANI (KOTTAYAM): Madam, I would like to seek intervention of the Central Government to address the issue faced by students in Kerala who had sought education loan from the State Bank of Travancore and now plan to benefit from the Kerala Government's Educational Loan Repayment Scheme.

In an unwelcome step, SBT, the premier bank of Kerala was merged with the State Bank of India. Before the merger with the State Bank of India, in a controversial decision in July 2015, the SBT had sold its educational NPAs worth Rs. 150 crore to be recovered from 8568 defaulters to Reliance Asset Reconstruction Company for Rs. 63 crore. To resolve the issue of mounting educational NPAs in the State and to facilitate the youths in repayment of their educational loan, the Government of Kerala in August 2017 launched a scheme worth Rs. 900 crore. Thousands of students whose loans from SBT had been transferred to the Reliance Asset Reconstruction agency are now facing the risk of missing out from the benefit of this scheme due to non-availability of their documents.

Madam Speaker, meanwhile all the other banks in the State except SBI have complied with the requirement of the scheme and have shown unmatched zeal to extend all the necessary support to the students' community in order to close the loan accounts. On the other hand, the State Bank of India, the country's largest Public Sector Bank, which aspires to match the global aspirations, exploited the students by claiming that they have not maintained a copy of their loan documents after their accounts were transferred to Reliance Asset Reconstruction Company.

Madam, this is untrue. The statement by the authorities of the SBI is irresponsible because in the loan portfolios their educational loan is still alive and they have a copy of the documents. As the deadline for the application is approaching, the students fear that owing to the negligence and irresponsibility on the part of the bank authorities, they may miss out on their only chance of getting rid of the burden of loan any time soon. Considering the gravity and urgency of the matter, I would like the Central Government to intervene in the matter and prevail upon the concerned authorities of the SBI and extend full help to the students so that they can benefit from the scheme.

Thank you... *(interruptions)*

HON. SPEAKER: All of you can associate with him.

... *(interruptions)*

HON. SPEAKER:

Dr. P.K. Biju,

Shri M.B.Rajesh and

Adv. Joice George may be allowed to associate with the issue raised by Shri Jose K Mani.