



Schemes to make education loan as easy loans

Posted On: 08 AUG 2017 4:38PM by PIB Delhi

All Scheduled Commercial Banks provide Education Loan to students. Simple interest is charged during the study period and up to commencement of repayment. Accrued interest is added to the principal amount borrowed while fixing EMI (Equated Monthly Instalment) for repayment.

The Schemes launched by the Government to provide interest subsidy to the students include:

- (i) Central Scheme to provide Interest Subsidy (CSIS) wherein full interest subsidy is available for the students belonging to economically weaker sections, for studies in India, for educational loans disbursed on or after 1st April, 2009 during the period of moratorium.
- (ii) Padho Pardesh Scheme to award interest subsidy to meritorious students belonging to economically weaker sections of notified minority communities for overseas studies.
- (iii) Dr Ambedkar Central Sector Scheme of Interest Subsidy on Educational Loan for Overseas Studies for Other Backward Classes whereby interest payable by the students for the period of moratorium is borne by the Government of India.

In order to facilitate easy processing and disbursement of loans, Government has launched a web-based portal namely Vidya Lakshmi Portal where students can apply online and track education loans. Credit Guarantee Fund Scheme for Education Loans (CGFSEL) is also there wherein collateral free loan is given upto Rs.7.5 lakh.

This was stated by Shri Arjun Ram Meghwal, Minister of State for Finance in written reply to a question in Rajya Sabha today.

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