



KNOWLEDGE AND EXPERIENCE ABOUT EDUCATIONAL LOAN FOR HIGHER EDUCATION AMONG STUDENTS

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Abstract

The purpose of this research is to study the knowledge and experience about educational loan for higher education among post graduate students. The study was carried out on 100 students studying in Kurukshetra University, Haryana. In the study, a questionnaire on Educational Loan for Higher Education was used. The main findings of the study reveals that most of the students did not aware about the educational loan or having little bit of knowledge about it. There is a lack of information about the educational loan among the students. In light of the findings obtained at the end of the study, recommendations were made.

Key Words: Awareness, Educational Loan And Higher Education.

Introduction

Education is a very important factor in the economic and cultural development of a country. India, since the early days of independence has always focused on improving the literacy rate. Even today, the government runs many programs to promote primary and higher education in India. For equality in educational opportunities, our country have some special provisions through which all people have been given equal rights for education and people can avail these opportunities up to any level. The backward caste, the tribe, scheduled caste have some special provisions too. Center Government and state government are providing scholarship, interest subsidy to needy students and other reserve category students. One of such benefits is Educational loan, which has become an important source of financing for taking higher studies in India or abroad.

Education load scheme in India

The origin of the educational loan was the government-sponsored National Loan Scholarship Scheme, which was initiated in India in the year 1963. National Loan Scholarships were given free of interest to needy and meritorious students for full-time higher education in India, from post-matriculation till the completion of higher education. This scheme was continued till 1991. The scheme could not succeed as the rate of recovery was very low and also the country faced a severe economic crisis in the early nineties, due to which this scheme was discontinued. The Educational Loan Scheme was introduced in 2001. The Government of India in consultation with RBI and IBA (Indian Banks' Association) has framed a comprehensive Educational Loan Scheme, categorized under priority sector lending by the Commercial Banks in India.

Student's loan programme has been one of the most prominent methods that is advocated as an effective solution to the problem of financing higher education. Student loan as a source of financing higher education plays an important role in increasing access to tertiary education especially among students from families of low socio-economic status in India (Sangeetha and Raghurama, 2018). These scheme was a great benefit for the students to reach their goals and to fight the obstacles in their path. In 2001, Educational loan scheme was implemented on the orders of RBI in which student can borrow up to INR 10 lakh for studies in India and up to INR 20 lakh for studying abroad. An interest subsidy scheme was introduced in the year 2009-10 for economically weaker section students for higher studies.

The study is conducted with the objective to find out the knowledge and experience of students about educational loan for their higher studies.

Objectives of the study:

The main objectives of the study are:

1. To study the knowledge about the educational loan for higher education among students.
2. To evaluate the experiences of the students while taking the educational loan.
3. To find out the difficulties of students while taking educational loan.



Methodology

Keeping in view the nature of present study, the descriptive survey type of study was used. The post graduate students of studying in Kurukhstra University, Haryana. The investigator purposefully selected 100 students from four discipline i.e. business administration, Arts, Technical and Accountancy. The sampling was done in two stages i.e in the first stage selection of the discipline and in the second the selection of subject for the study. In the present study the investigator developed and used a questionnaire on educational loan for higher education. The questionnaire consisted of 25 items with yes and no response. The pilot study was done on 50 students and Cronbach alpha reliability coefficient was calculated. The reliability was found as 0.65.

Findings

The above collected data was analyzed and our findings are as follow.

1. Most of the students either did not know about the educational loan or having little bit of knowledge about it. Students having some knowledge didn't know how to proceed further for taking the Bank loan.
2. There is no advertisement in colleges/universities through which the students can get information for education loan.
3. Sometimes, Bank officer do not guide properly or provide the desired information to the students, which is one of cause that students are not interested in taking the educational loans.
4. One of the main reasons discovered behind unpopularity of educational loans were the high interest rates.
5. Another reason includes the hectic formalities of the banks e.g. filling various forms, various enclosures, etc in which a lot of time is consumed.
6. Most of the students are not financially sound also some have no security or guarantee for taking educational loan.
7. Student parents do not have enough time for the bank visits and completing the bank formalities.
8. Colleges are not providing enough information to the pass out students about Bank loans.
9. No information regarding the educational loan is published in the newspaper.

Conclusion

More advertisement through Newspaper, Television, Radio, college, etc to be given to students regarding Bank loan. Bank should also provide information regarding the educational loans, by putting required information on their notice board. The interest rate should be lowered and the process for taking the loan should be made easy so that the students / parents has to face minimum formalities for taking the education loans. Educational institution should also have liaison with the colleges and banks for advertisements. The information regarding bank loan should be displayed in all the educational institutes.

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