ABSTRACT

The study titled ‘An Evaluation of Education Loan Scheme of Major Commercial Banks in the Select Districts of Kerala’ examines in detail the education loan scheme of commercial banks from the borrowers as well as from the bank managers perspective. It is observed that both the public and the private sector banks demonstrate noticeable differences in the administration and performance of education loan scheme in Kerala. It is observed that the public sector banks have the lion’s share in the sanction and disbursement of education loan in Kerala. It is also found that the increase in the education loan, has increased the NPA of the banks considerably.

The evaluation of education loan scheme of commercial banks in Kerala from the perspective of borrowers shows that the borrowers hailing from the urban area are significantly more aware of education loan than borrowers from rural area. It is also found that borrowers belonging to low, medium and high intensity districts do not differ significantly regarding the different aspects of education loan such as awareness, eligibility, adequacy, affordability and acceptability of education loan. Moreover, the ‘repeated visit to bank’ has been identified as the most prominent problem encountered by borrowers during the sanction and disbursement of loan.

Evaluation of education loan from the managers’ perspective signifies that problem on account of education loan is significantly more in private sector banks than in public sector banks. The interference of loanees’ associations is significantly more in rural areas than in urban areas. Moreover, the satisfaction level of managers of urban area is significantly more than those from the rural and semi urban areas.

Key words: Education loan, commercial banks, IBA scheme, Non IBA scheme