

# IIT panel favours loan scheme for students

■ Personal guarantee to suffice, no collateral required

New Delhi, May 15  
Proposing a steep hike in tuition fee for IIT courses, the Kakodkar Committee on the future of the premier institutes has suggested a 'special loan scheme' to offset the burden, attracting no collateral and on personal guarantee of the student.

"The quantum of the loan should be such that it meets at least 90% of the financial needs of students in way of payment of fees and personal and hostel expenses "in the range of ₹8.11 lakh for a 4-year undergraduate programme and ₹5.8 lakh for a post-graduate programme," it has suggested.

The committee, which presented its report to HRD minister Kapil Sibal on Thursday, has proposed a tuition fee of ₹2.25 lakh per student annually, up from ₹50,000 at present.

The IIT council would, however, take a final call on the suggestion.

The committee, headed by Anil Kakodkar, has said that "as the increase in fees would increase funding requirements for students, a special loan programme for students is recommended, which should be easily available without collateral".

The committee said the loan needs to be granted on the personal guarantee of the student without reference to the parents and without any asset backing the loan.

"It is suggested that the loan be granted along with



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- The quantum of loan should be such that it meets at least 90% of the financial needs of students
- Payment of interest should be deferred till at least six months after completion of the course
- 'Student Loan Fund' be created to take care of any default due to students failing the course and being unable to repay the loan

the admission documents of IIT so that it is seamless and hassle free," the report states. The committee referred to its discussion with the State Bank of India on this special loan scheme.

It further suggested that payment of interest should be deferred till at least six months after completion of the course.

Keeping in mind the risk involved, it also suggested that the HRD ministry create a fund called the 'Student Loan Fund' at the rate of 4% of the overall loan amount which will be kept in an escrow account with the bank so that the risk of default is reduced and the bank has re-

course to this fund.

This will also take care of any default due to students failing the course and being unable to repay the loan in the future, the report said.

The committee was set up to suggest a roadmap for the autonomy and future of the IITs as world-class institutions for research and higher learning.

It has also suggested that the IITs start an aggressive drive to get endowments, scholarship grants and funds from their alumni and other donors to meet at least 10-15% of their needs on an annual basis over time and a dedicated office to collect the endowments. *PTI*