



PM VIDYALAXMI SCHEME: GOVERNANCE/SCHEME

NEWS: Cabinet clears PM-Vidyalaxmi for collateral-free loans to students

WHAT'S IN THE NEWS?

The PM-Vidyalaxmi Scheme provides collateral-free education loans with a 75% government credit guarantee, benefiting 7 lakh students in Quality Higher Education Institutions (QHEIs). The scheme offers 3% interest subsidy for families earning below ₹8 lakh, expanding access to both technical and non-technical courses.

Overview of PM-Vidyalaxmi Scheme

- **Purpose:** Provides collateral-free and guarantor-free loans for students in Quality Higher Education Institutions (QHEIs).
- **Budget:** ₹3,600 crore for 2024-2031, targeting 7 lakh students.

Cabinet Decisions
6th Nov 2024

PM-Vidyalaxmi
Collateral-free, Guarantor-free Education Loans
Maximising access to quality Higher Education for **Yuva Shakti**

- Students having annual family income of upto ₹8 lakh shall be eligible to get 3% interest subvention on loans upto ₹10 lakh.
- Loans upto ₹7.5 lakhs shall be eligible for 75% credit guarantee.
- Education loans will be facilitated through a transparent, student-friendly and digital application process common to all banks.
- PM Vidyalaxmi is another concrete step towards implementation of NEP.

Loan Benefits and Subsidies

- **Credit Guarantee:** 75% government guarantee on loans up to ₹7.5 lakh.
- **Interest Subvention:** 3% subsidy on loans up to ₹10 lakh for families with an income below ₹8 lakh during the moratorium.

Eligible Students and Courses

- **Priority:** Students from government institutions in technical and professional courses.



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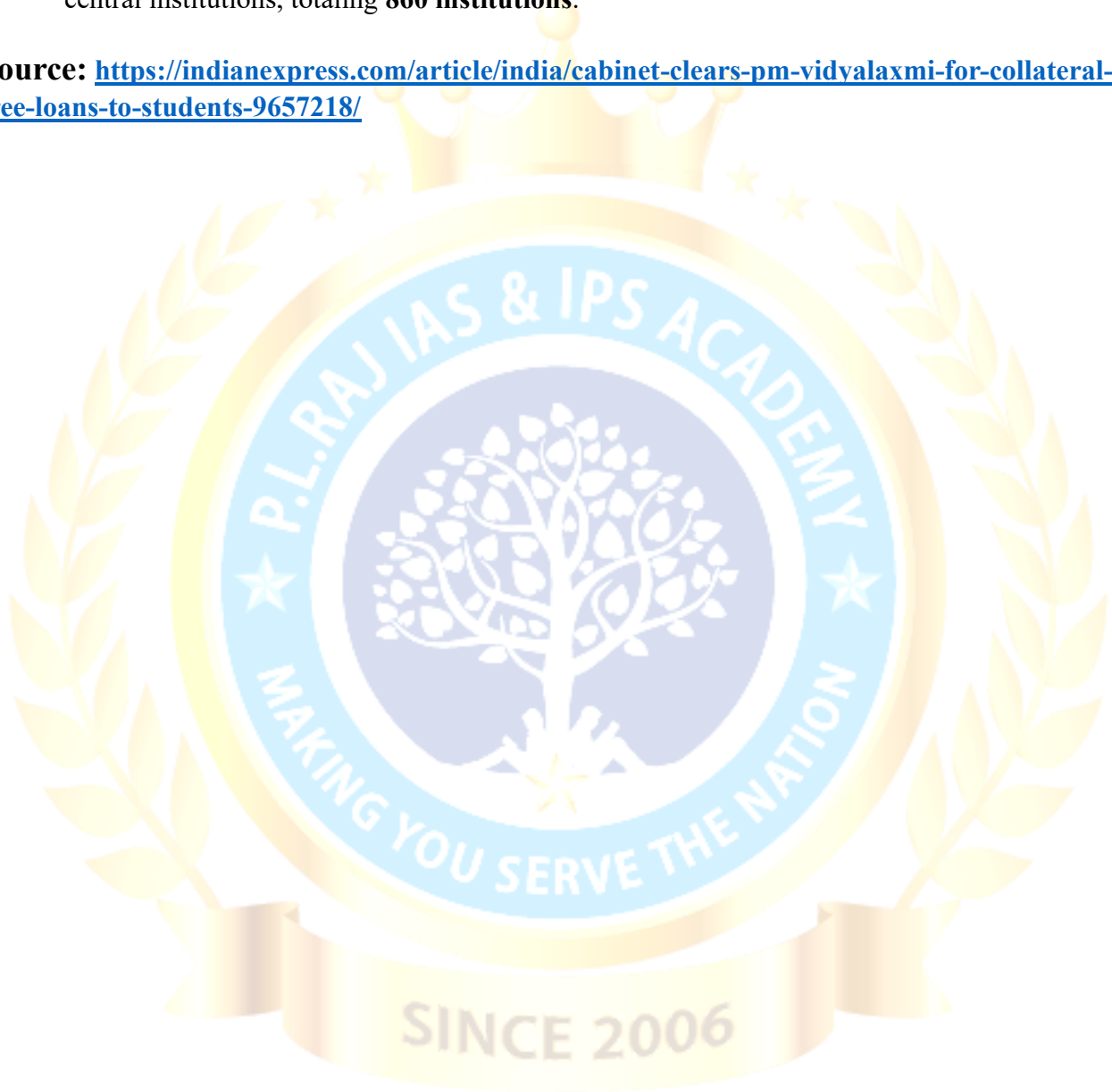
MAKING YOU SERVE THE NATION

- **Coverage:** Expands access beyond the CSIS scheme to include **non-technical and non-professional courses**.

Eligibility of Institutions

- **Selection:** Top 100 institutions (NIRF rankings), select state government institutions, and central institutions, totaling **860 institutions**.

Source: <https://indianexpress.com/article/india/cabinet-clears-pm-vidyalaxmi-for-collateral-free-loans-to-students-9657218/>



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