

REPAYMENT PERFORMANCE UNDER HIGHER EDUCATIONAL LOANS OF COMMERCIAL BANKS IN KERALA

Dr. M. Paulmurugan*
P. P. Abdul Razzak**

ABSTRACT

An educational loan is a crucial part of every student beneficiaries to get financial support to carrying their higher education in the meaningful way. With the support of RBI and central government, the student beneficiaries get expected relaxation and favorable benefit to get educational finance for pursuing higher education. But the student community is not suppose to realize that the utilization and importance of repayment pattern of educational loan within a period of time, due to lake of repayment, the commercial banks committed more than 60-70% of NPA(Non Performing Assets) every year. In this commercial bank and student are coordinate raise the utility and repayment level only helps to control the pattern of raising NPA. This study mainly concern with satisfaction level of banks towards repayment performance of commercial banks under educational loan. Hence, the researcher selected three districts in the state of Kerala, such as northern part, central part and southern part for convenient to collect reliable data entire study.

KEYWORDS: Educational Loan, Educational Finance, Non Performing Assets, Repayment Performance.

Introduction

There is a general application of the fact that higher education provides the competencies that required in different spheres of human activity, ranging from administration to agriculture, business industry, health and communication and extending to the arts and culture. The beneficiaries of higher education are predominantly students from the middle and upper classes. This may be true for the professional courses, like those of medicine, engineering and management, but not for higher education as a whole. In the state of Kerala, the commercial banks have been taking a role in the educational development through the disbursement of education loan to the students in all the sectors. Even if it is a service to the society, for the efficient operation of the banks and for extending their helping hand, adequate repayment is necessary. Here the researcher has made an investigation to assess the repayment performance of beneficiaries with the experience of commercial banks from different sectors in Kerala.

Repayment Methods of Some of the Developed Countries

While compare with other countries like America Australia England, has been issued different types of educational loans, even with the cute consciousness on repayment of loan. Some of the universities itself give the

* Assistant Professor, School of Commerce, CMS College of Science & Commerce, Chinnavedampatty, Coimbatore, Tamil Nadu, India.

** Assistant Professor, School of Commerce, CMS, College of Science & Commerce, Chinnavedampatti, Coimbatore, Tamil Nadu, India.