



Revamped Model Skill Loan Scheme

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- The government has launched a revamped '[model skill loan scheme](#)' aimed at enhancing accessibility to [skill development courses](#) with a significantly increased maximum loan limit.
- The new scheme raises the maximum loan limit from Rs 1.5 lakh to Rs 7.5 lakh. Initially launched in 2015, the **old scheme saw low uptake due to insufficient loan limits.**
- Announced in the [Union Budget 2024-2025](#), the revised scheme aims to benefit 25,000 students annually. It now includes [non-banking financial companies \(NBFCs\)](#), [NBFC-MFIs \(micro-finance institutions\)](#), and [small finance banks](#) as eligible lending institutions.
- **Broadened Course Access:** The revised scheme will now allow access to more skill courses, against only [national skill qualification framework \(NSQF\)-aligned courses](#) under the old scheme. Also, non-NSQF courses that are onboarded on the [Skill India Digital Hub platform](#) will come under the scheme.
- **Previous Performance:** As of March 2024, loans amounting to Rs 115.75 crore were extended to 10,077 borrowers, highlighting **low fund utilisation due to high course fees.**

Read more: [Skill Development in India](#)

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