

<p>Benchmarks &gt;</p> <p><b>Nifty</b> <span style="color:red">CLOSED</span></p> <p>10,829.35 <span style="color:green">88.00</span></p> 	<p>NSE Gainer-Large Cap &gt;</p> <p><b>BEL</b></p> <p>99.90 <span style="color:green">6.60</span></p> 	<p>Mutual Fund of the week</p> <p><b>Mirae Asset Emerging Bluechip Fund Direct-Growth</b></p> <p>★★★★★</p>	<p>5Y RETURN</p> <p><span style="color:green">17.67 %</span></p> <p><a href="#">EXPLORE</a></p>	<p>Stock Analysis, IPO, Mutual Funds, Bonds &amp; More</p> <p><a href="#">Market Watch</a></p>
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# Banks suggest easier loan rules for farmers

BY ET BUREAU | AUG 24, 2019, 08.01 AM IST

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KOLKATA: Public sector banks may ask the government to allow [farmers](#) to borrow afresh even before clearing previous loans.

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This is one of the key takeaways from a branch level consultation exercise that has been going on for the past one week. Banks are collating inputs from grassroots employees, refining them and are likely to hand over the suggestions to the government in the first week of September, when Prime Minister [Narendra Modi](#) is set to hold a meeting with public sector banks.

Banks are also seeking a more robust loan guarantee structure for Mudra loans, while they feel an umbrella cyber security framework would help, rather than each lender attempting to do it individually. "The major concern area for the government has been the falling market share of public sector banks. The exercise would also help in an image makeover for public sector banks," said Ashok Kumar Pradhan, chief executive, United Bank of India.

He said the fresh proposal on farm loans would help farmers de-stress and gain access to funds even during natural calamities. Currently, farmers are not permitted to avail fresh loans before clearing past dues. [Farm loan](#) stress has risen to double digits, and fresh loans under [Kisan Credit Cards](#) may be one way out, banks feel.

As per the suggestion, farmers may get bank funds even if they are not in a position to repay earlier loans, but are able to service the loans by making interest payments, Pradhan said at the state-level inter-bank group consultation in Kolkata on Friday. A credit guarantee scheme for agri loans can also improve credit flow to the sector, said State Bank of India's regional head Ranjan Kumar Mishra.

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