**Abstract**

In the most developing countries education sector faces a major crisis of funding. As this crisis threatens the fundamental right of a person to education, a paradigm shift in thepattern of funding of education is urgently needed. Financing of education is generally done by government scholarship, subsidies, fees, Education loan and various other means. Education loan can be popularized as an alternate source of funding of higher education as it is easily accessible to the students. In India, education loan schemes have been in operation for quite some time and commercial banks are the major players in lending the education loans. With the increasing need of education loan, it is necessary to evaluate the performance of education loan provided by banks in India and the association of the number of loan accounts and the number of loans given by the commercial banks. This analysis has resulted that there is a positive growth of education loan in India and also there is high association between the total loan amount and the total number of loan accounts. Though the performance of the education loan isgood, RBI along with the Government can liberalise the scheme to make it more feasible to the public.