**Abstract**

Economic growth in recent years has been based on availability and quality of knowledge in any country, which in turn depends on access and affordability to education. Finances for education are mobilized from different sources like government spending, fees, educational loans, and others. Among these, educational loan has been seen as an alternative way of financing for education. In 2001, the Indian Banks Association has come up with a model frame work for educational loans in the country. With the approval of the Central Government the public sector and private sector banks in India started to give education loans. With the increasing need of education loan, it is necessary to evaluate the distribution of education loan by banks both state wise and region wise in India. Among the region-wise distribution of education loan southern region contributes the highest share of education loan accounts and state Tamil Nadu contributes the highest share of education loan in the state-wise deployment of education loan. The percentage analysis of deployment of education loan state wise and region wise had resulted that, though the distribution of the education loan all over India is increasing, RBI along with the Government can craft the scheme to make it more feasible to the northern and north eastern region of India.