A HELPING HAND ALL THE WAY

Financial loans for deserving students have helped change lives.

NO deserving student left behind. That has been the steadfast position of the National Higher Education Fund Corporation (PTPTN) since it came into being two decades ago. As stated on its website, the corporation constantly works towards providing financial relief for deserving students who have gained admission to institutions of higher learning so that no one is deprived of further education due to finance.

This mission echoes the profound words of Benjamin Franklin, one of the founding fathers of the United States and whose image is seen on the US $100 note: “An investment in knowledge pays the best interest.”

The name of PTPTN has impacted ordinary families like the Chia family in Malacca. Three siblings from that family have completed their tertiary education with financial aid from PTPTN.

“It has been a big help,” said Jordan Chia, who graduated with a medical degree from the University of Malaya in October, this year. Jordan, who is third among five siblings, said his sister and brother had also benefited from PTPTN loans. His sister studied dentistry while his brother also went to medical school.

Their mother is a farmer; father is a housewife.

Chia, 24, is now awaiting his medical internship post. To him, the recent Budget 2018 announcement that the Government would extend the discount for repayment of PTPTN loans until Dec 31, is an indication of PTPTN’s willingness to give a helping hand.

Among the highlights of Budget 2018 are:
• 20% discount will be given on outstanding debt due dates (full settlement).
• 10% discount for repayment of 50% on the outstanding debt due date (in a full settlement).
• 10% discount for repayment through salary deductions or scheduled direct debits.
• Grace period for loan repayments extended from six months to 12 months upon completion of studies.

According to Chia, borrowers should be mindful of their repayment schedule.

“They must have a plan on how to repay the loan as soon as possible,” he added.

In that sense, the discount offered in Budget 2018 is a boon for people like him. Looking back, he acknowledged that it would have been difficult for him to experience university life if he had not been without the debt.

PTPTN throughout his five-year course. The loan, he said, had helped him to settle his studies and accommodation cost, among others. And it was not just the PTPTN loan that had helped him. The book vouchers provided by the Government had come in handy as well.

Under Budget 2018, it was also stated that PTPTN students and those in institutions of higher learning will be provided with book vouchers valued at RM500. This move will benefit about 1.2 million students.

”It was good. I used it to buy medical books,” he said, commending the move to provide vouchers instead of cash, which might be used for the wrong reasons.

For PTPTN student Nor Elakta Mohd Radzuan, she described the discount offered in Budget 2018 as a “major breakthrough” by the Government to encourage people to settle their PTPTN loans.

This was also a way to help older students who needed the financial aid to pursue their courses, she said.

“it’s an on-going process,” she added.

The 30-year-old Nor Elakta, who is now married with three children, graduated from Universiti Petra Malaysia in 2001 with a degree in computer science. Back then, she took a PTPTN loan and spent about 15 years to repay the loan through monthly deductions. The loan was completed by settling this year.

Her parents and teachers were also beneficiaries of PTPTN loans. Born in Kuala Terengganu, Nor Elakta studied in the state before she joined PTPTN. This was also a way to help older students who needed the financial aid to pursue their courses, she said.

How PTPTN reaches out to students who need aid

NOV 1, 1997, that is the date that marked the beginning of a new hope for young Malaysians who dream of having a scroll in their hand and a degree in their head.

It was the day that the National Higher Education Fund Corporation (PTPTN) began its operation. Offering loans to students who come from financially strapped families. PTPTN’s objective was clear. It wanted to ensure an efficient system of providing loans to deserving students who have gained admission to local institutions of higher learning.

This was in line with the Government’s objective that no student be deprived of a chance to have a university education because of financial constraints.

For the past two decades, PTPTN has made it clear that more than 2.6 million students have taken PTPTN loans amounting to RM49.65 billion since it was formed in 1997.

Out of the number, 42,904 borrowers with loans amounting to RM27.6 billion were exempted from repayment as they scored outstanding grades.

The government has also offered discounts to ease the borrower’s financial burden. In his Budget 2017 speech, Prime Minister Datuk Seri Najib Tun Razak announced a 15% discount for those who paid the outstanding amount at once. Those who settle at least 50% of the loan in one lump sum would get a 10% discount on the amount paid.

Such offers of discounts were even better under Budget 2018, which was announced on Oct 27. Among others, Najib announced that a 20% discount would be given to those who settle their outstanding debts in full.

According to the PTPTN website, www.ptptn.gov.my, this 20% discount is offered to all PTPTN borrowers including those who have been dealt with enforcement actions. The discount applies to those who settle their remaining debt in full between Oct 27 this year and Dec 31, 2018.

The website contains a comprehensive Frequently Asked Questions about the discounts, the method and calculation of payment.

PTPTN has gone the extra mile in ensuring young Malaysians get their chance to further studies. For example, a PTPTN student was offered a scholarship to attend a course in a local university to further his studies. This is a savings scheme that is meant to encourage parents to start saving for their children at an early age.

Parents who open PTPTN accounts are entitled to income tax relief of up to RM12,000.

Furthermore, to inculcate the culture of savings for education, Matching Grant of RM500 will be given to first 500,000 children aged 7 to 12 years when their parent deposited RM500 in the SSPTIN account.

Signing up: Malaysians registering for the National Education Savings Scheme (SSPTIN) during a Hari Raya Peangang PTPTN event held at a hypermarket in Puchong, Selangor last month.

It is just one of the many options provided to Malaysians who dream of a tertiary education.

In that sense, PTPTN is living up to its motto that education funds are the catalyst for Malaysia’s development.