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# Strategies to ensure sustainability of PTPTN

I WAS touched by the honesty and sincerity of the writer of the letter "Moral duty of all PTPTN borrowers to repay their loans" (*The Star*, Jan7).

The burgeoning amount of unpaid PTPTN loans presents a significant challenge to the sustainability of Malaysia's higher education financing system. Since these loans are financed by taxpayers, it is crucial to adopt a balanced approach that ensures accountability while remaining fair to borrowers facing genuine financial hardships.

The current outstanding PTPTN loans amount to approximately RM32bil. If recovered, these funds could significantly enhance the financial assistance provided to future students.

For example, with an average loan of RM20,000 per student, the recovered funds could support approximately 1.6 million individuals. This would equate to sustaining new loans for about nine years, assuming that PTPTN supports around 180,000 new students annually.

Following are some proposals to address this issue effectively:

> Establish a structured repayment plan that enables borrowers who have defaulted to submit



a formal explanation detailing their reasons for non-payment, including any financial hardships or other extenuating circumstances.

> A dedicated PTPTN committee should review the submissions and approve genuine cases based on the documentation provided.

> Defaulters should propose a realistic repayment plan tailored to their current financial situation, outlining the amount they can pay monthly and the proposed duration to settle the outstanding amount. PTPTN could offer flexible repayment options,

such as reduced monthly payments, extended loan terms, or temporary deferments for those in genuine need.

> Defaulters should be treated like other loan defaulters in the financial sector and be subjected to legal action for non-compliance, credit score blacklist, and restrictions on certain financial privileges.

Defaulters who fail to engage with PTPTN to resolve their defaults could face travel restrictions, similar to income tax defaulters. This measure ensures that borrowers prioritise their repayment obligations.

> PTPTN could offer incentives such as partial interest waivers or reduced penalties for borrowers who adhere to their repayment schedule.

> Borrowers should be regularly updated on their loan status, repayment obligations, and the support options available.

> Implementing financial literacy programmes can help borrowers understand the importance of loan repayments and manage their finances effectively.

> Regular reports on the progress of repayments and recovered amounts should be made available to foster public trust. These reports should show how the recovered funds are reinvested to support future students.

These measures aim to balance the responsibility of borrowers with the need for compassion in genuine cases of financial difficulty. By implementing these strategies, we can ensure the sustainability of PTPTN, enabling it to continue providing vital financial support to future generations while respecting the contributions of Malaysian taxpayers.

**CONCERNED TAXPAYER**  
Putra Heights

## **Strategies To Ensure Sustainability Of PTPTN**

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