

16/10/1997

Lower loan interest for students taking science courses

Chok Suat Ling

KUALA LUMPUR, Wed. - In an effort to increase the number of students pursuing science courses in universities, their loans under the National Higher Education Fund will come with a lower interest rate.

Education Minister Datuk Seri Najib Tun Razak said today recipients of loans taking such courses would be paying two per cent interest annually, while those taking up Arts would be charged four per cent interest a year.

The repayment period also favours science students who are given a 15-year period against 10 years for arts students.

Students must start repaying not more than six months after completing their studies.

The Inland Revenue Board will monitor students who graduate and a portion of their salary will be deducted for repayment purposes.

Najib said the difference in interest rates and repayment time was necessary as science courses were longer in duration.

"The loans for science courses are also higher," he said after his ministry's post-Cabinet meeting.

The National Higher Education Fund, which will come into operation next month, was established by the Government to assist students pursuing higher education in public and private institutions of higher learning in the country.

The fund provides for those pursuing a diploma, degree or equivalent.

Najib said children of civil servants, including those in uniformed service and retirees, would automatically be eligible for loans. Others eligible include those who cannot afford higher education.

The RM100 million fund is managed by the National Higher Education Fund Corporation.

A board, Najib said, had been established to ensure the smooth running of the corporation.

"The board comprise a chairman and nine members. Prime Minister Datuk Seri Dr Mahathir Mohamad has approved the appointment of Tambun Member of Parliament Ahmad Husni Mohamad Hanadzlah as its first chairman."

Board members are representatives of the Attorney-General, Secretary-General of the Finance and Education Ministries, and IRB chief executive officer.

Other members are the Vice-Chancellors of Universiti Sains Malaysia and Universiti Teknologi Malaysia, and two others to be appointed by the Education Ministry.

The corporation, Najib said, would be managed by 33 officers and staff headed by a chief executive officer, Associate Professor Dr Sudin Haron.

"The Board will have its first meeting soon. It (the meeting) will decide on rules and procedures of application," he said.

On the National Union of Teaching Profession's request for the Government to implement the new salary scheme for non-graduate teachers immediately, Najib said: "It is a government decision to implement it on July 1, 1999.

"It is also a logical move as students pursuing diplomas under the ministry's programme will be completing their studies only on that date."

Najib announced yesterday that a new salary scheme for teachers, which will see diploma holders starting with a basic salary of RM917 instead of RM652, would come into effect on July 1, 1999.

(END)

