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40pc have not repaid PSD loan

Sarban Singh

KUALA LUMPUR, Wed. - More than 40 per cent of recipients of Public Service Department study loans have yet to make repayments, its director-general, Datuk Jamaluddin Ahmad Damanhuri, said today.

Although he did not give figures, the number of defaulters is believed to run into tens of thousands based on the number of students who had received the loans from the PSD since 1986.

The PSD had given out loans amounting to more than RM500 million per annum since then. On the average, about 15,000 students were given loans each year.

Jamaluddin said since 1990, when the first batch of recipients were to begin servicing their loans, about 60,000 people had either started paying or paid in full. To date, RM97 million has been recollected.

"We are working with the National Registration Department and the Inland Revenue Board to trace the defaulters," he told reporters after presenting excellent service awards to PSD staff.

On Sunday, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi directed the PSD to trace the defaulters who owed the Government millions of ringgit in unpaid loans.

The department stopped giving loans last year as its role was taken over by the National Higher Education Fund Corporation.

Jamaluddin said the PSD had problems tracing the defaulters as many had changed addresses.

The PSD converted the loans of those who had first-class honours' degrees into scholarships provided they were under the convertible loan scheme. Those with a cumulative grade point average (CGPA) of 2.75 and above will only have to repay 25 per cent of their loans.

On whether the PSD would publish the names of defaulters in the newspapers, he said this would not be done as "we do not want to embarrass them".

He said those who could not afford to pay the monthly instalments should write to the PSD and request smaller sums. "Those who are still unemployed should also write in and ask for payment to be deferred," he said.

Asked how the PSD would get errant defaulters to pay up as they had been ignoring repeated reminders, he said their cases would be referred to the Attorney-General's Chambers.

Asked about the National Remuneration System which was under review, he said the four committees appointed to study the provisions have been meeting every week to find ways to improve it.

On whether there were suggestions from the committees to abolish it, he said it would not be done away with. "The system is workable. It is only the implementation mechanism that concerns Cuepacs and civil servants," he added.

On whether the PSD would review the 25-year cap placed on pensions as requested by Cuepacs, he said there were no immediate plans.

Cuepacs had asked the PSD to calculate the pension of civil servants based on their actual years of service and not to cap it at 25 years irrespective of the number of years they worked.

Asked on Prime Minister Datuk Seri Dr Mahathir Mohamad's recent statement on attracting more non-Bumiputeras into the civil service, Jamaluddin said they should apply when advertisements appear in newspapers.

"We want them (the non-Bumiputera) to apply. The Public Service Commission has begun conducting walk-in interviews and as such, it would be easier for them to join the service," he said.