

Gov't rejects PTPTN-CCRIS link bid
MalaysiaKini.com
Aug 21, 2013

The government has shot down the proposal to include those who take National Higher Education Fund (PTPTN) loans in the Central Credit Reference Information System (CCRIS).

NONEIf PTPTN had gone ahead with the move, those who defaulted on their education loans would not be able to take other loans from financial institutions.

According to Youth and Sports Minister Khairy Jamaluddin, the cabinet rejected the proposal at its meeting this morning.

"Just completed cabinet meeting. Alhamdulillah, PTPTN will not go ahead with the proposal to list its student loan defaulters under CCRIS.

"Thank you prime minister and education minister for listening to the youth," he said on Twitter.

The decision comes following an outcry over the move by both PKR and Umno Youth, both of which described it as oppressive.

CCRIS is a database with individual credit information that can be made available to financial institutions upon request.

Malaysiakini understands that PTPTN, which is facing severe defaults on its loans, had decided to link up with CCRIS earlier, but deferred the implementation as the general election was pending.

Speaking at a press conference later today, Khairy said 'hardcore defaulters' make up only about five or six percent of PTPTN borrowers, while the rest may be only be late on their payments or had to renegotiate their repayment schedule while looking for a job.

He said PTPTN already has existing mechanisms, such as legal action, to deal with the hardcore defaulters and there is no need to add CCRIS in its arsenal, which would only serve to frighten them as well as those who are merely late.

"Sometimes if we put them on CCRIS, they could not take normal loans for cars or motorcycles to go to work.

"Because they are on CCRIS, they could not get the loan, then they could not go to work, they could not earn an income, and cannot repay their PTPTN loan. It becomes a vicious cycle for them," he added.

However, he stressed that Umno Youth - where he is its chief - still maintains that the loans must be repaid. It is just that it should not be a burden and borrowers should not be frightened with the prospect of a CCRIS listing.

Khary also clarified that the matter was not discussed at the cabinet this morning, contrary to earlier media reports.

He said he had merely raised the issue at the cabinet meeting and Education Minister Muhyiddin Yassin replied that the PTPTN-CCRIS cooperation is no longer being pursued.

Hot topic in lead-up to polls

The cost of higher education was a hot topic in the lead-up to the May 5 general election, with PKR promising free tertiary education if Pakatan Rakyat came into power.

In a statement earlier today, opposition leader Anwar Ibrahim said linking PTPTN with CCRIS would be a "further victimisation" of graduates who are "already burdened with the study loans".

Anwar said the central issue was not PTPTN's loan recovery, about which the opposition had been critical.

"The issue is the failure of the Umno-BN government in discharging its social justice responsibilities of providing free tertiary education, particularly to the underprivileged," he said.