

## **'More would repay if PTPTN interest charges scrapped'**

**MalaysiaKini.com**

**Sept 3, 2013**

**By Lawrence Yong**

More National Higher Education Fund (PTPTN) borrowers would start repaying their loans again if hefty interest costs and administration charges were simply scrapped, PKR's director of strategy said.

azlanRafizi Ramli said that PKR's latest survey on the PTPTN issue showed that most graduates were split on two key solutions - to abolish PTPTN completely or just abolishing the interest costs.

"Based on this, we believe that with an injection of RM800 million a year to eliminate interest charges, we will see many more PTPTN borrowers resume repaying their loans," Rafizi told a press conference at the PKR HQ at Tropicana.

He said that PKR now hoped that an NGO comprising of borrowers can be formed to propose this solution so that the long-standing government debt issue can finally be resolved in a non-partisan manner.

The online survey which collected information such as educational and economic background, and how well the respondent has been able to service their PTPTN loans, had attracted 1,053 respondents. PKR had earlier said it stepped in with the survey to help avoid a government proposal to list (PTPTN defaulters) on the Central Credit Reference Information System (CCRIS).

### Poll dispels a stereotype

The survey's findings also dispelled an earlier stereotype that mainly Arts and Social Science university graduates were the main defaulters on PTPTN loans because they couldn't secure a well-paying job after graduation.

Rafizi said that only 23 percent of the defaulters who responded were Arts and Social Science graduates. Other graduates from Science, Information Technology and Engineering also showed similar proportion of defaulters.

About 90 percent of the respondents were working and the majority held professional or executive positions and about 94 percent said that PTPTN was a burden "irregardless of job position or their salary".

Over half of the respondents said they have started paying PTPTN but one in three

said that they subsequently stopped due to various reasons. The main complaint was that the administration cost (which includes interest charges) was too high and unfair, Rafizi said.

"For the first five to six years, the repayment goes only to repay the interest," Rafizi said, adding that this discouraged many from continuing to service their loan as it never seems to draw down.

"If we waive the interest charges, more of this group will pay again and this is more effective than blacklisting them."

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd  
Source: <http://www.malaysiakini.com/news/240121>