

Education fund deficit to hit RM48bil by 2020

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The National Higher Education Fund Corporation (PTPTN) is expected have a RM48 billion deficit by the year 2020 if existing borrowers do not repay their loans.

Deputy Education Minister Dr Hou Kok Chung said money supposed to be repaid to the fund now was RM3.26 billion involving 780,000 borrowers.

"Of that total, students owing RM346 million had been given a postponement for repayment while RM1.54 billion has not been repaid," he said in the Dewan Rakyat today.

Hou was replying to a question by Tengku Razaleigh Hamzah (BN-Gua Musang) who wanted to know how much of PTPTN loans were in arrears and what were the government's plans for those who did not receive loans to pursue higher education in local or overseas institutes of higher education.

Answering a supplementary question by Nurul Izzah Anwar (PKR-Lembah Pantai), Hou said the fund faced financial difficulties in giving many loans.

"PTPTN will continue to work hard and find ways to get money to fund students. That is why we always remind people to settle their loans," he said.

Students given grace period

Nurul Izzah also asked about development in an agreement with a private sector company to provide financial aid of RM1.5 billion for the fund.

Hou said PTPTN also did not propose to write-off RM3.26 billion as the fund had to consider education opportunities for future students.

"PTPTN is not a scholarship-giving body, many scholarships have been given by the government.

"The government also encourages the private sector and GLCs to give scholarships to students," he said in reply to a supplementary question by Ibrahim Ali (Independent-Pasir Mas).

Ibrahim wanted to know if the fund proposed to write-off the RM3.26 billion.

Instead, Hou said the fund corporation was flexible where borrowers were given a grace-period of six months before being issued a letter of demand and where students who got first-class honours had their loan converted to a scholarship.

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