

**BUDGET: Discount To Facilitate PTPTN Loan Repayment - Najib
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KUALA LUMPUR, Sept 28 (Bernama) -- The government will introduce several incentives to facilitate repayment of the National Higher Education Fund Corporation (PTPTN) loans, said Prime Minister Datuk Seri Najib Tun Razak.

Najib, who is also the finance minister, said the first incentive was a discount of 20 per cent from the total loan to borrowers who settle their loans in one lump sum within one year from Oct 1, 2012 to Sept 30, 2013.

"Meanwhile, for those repaying their loan consistently according to schedule from Oct 1, 2012, a discount of 10 per cent annually would be given," he said when tabling the 2013 Budget in the Dewan Rakyat, here Friday.

The Prime Minister also reminded the borrowers that debts must be repaid and that the PTPTN loan was a privilege and not a right.

"If the PTPTN loan is not repaid, it will deny the rights of future students to access financing," he said.

Up to February this year, the PTPTN had approved loans to 1.95 million students to further their studies within and outside the country, involving an allocation of more than RM44 billion.

Of the total, about 70 per cent of the borrowers had settled their loans following the approach introduced by the PTPTN which pleaded with the borrowers to repay their loans.

Meanwhile, Najib described the proposal to abolish the PTPTN as an irresponsible act.

He questioned the proposal and asked who would bear the PTPTN loan of more than RM30 billion if it were to be abolished.

"Would this not burden the Malaysians? Would we be responsible if our loans are being borne by the people? This is the crux of the matter," he said.

In a related development, Najib said the government also proposed tax exemption for parents who had children studying in institutions of higher learning from RM4,000 each to RM6,000 beginning from the 2013 assessment year.

He said the move was taken because the government was concerned about the high cost of education borne by the parents, besides the fact that it was an investment to raise the education level of the young generation which would benefit the country in future.

In order to cultivate the habit of saving for education, the Prime Minister said the existing tax exemption of RM3,000 for the National Education Savings Scheme (SSPN) would also be raised to RM6,000.

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