

PM Launches SPP1M To Provide Additional Tertiary Study Loans
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PUTRAJAYA, Feb 6 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak today launched the Skim Prihatin Pendidikan 1Malaysia (SPP1M) to assist students at the tertiary level obtain additional study loans.

He said the government had allocated a huge sum for study loans and scholarships in view of the rising cost of higher education which put pressure on parents, especially those paying for their children's studies.

"Realising the need, the government introduces the SPP1M as additional funding with the loans limited to RM150,000 for a medical specialist course and RM100,000 for the critical courses chosen," Najib told reporters at the launching ceremony, here, Wednesday.

The SPP1M loan acts as a top-up to the existing National Higher Education Corporation Fund loan for students pursuing their bachelor's degree or master's in certain fields.

The scheme will be implemented in two stages - during the second quarter of 2013 for entry into local universities and in June for twinning programmes and further studies abroad.

Najib explained that the SPP1M would provide more opportunities for students to further their studies locally and those who previously could not afford to study abroad could do so now.

"Two banks, Maybank and RHB Bank, will be offering the loans with a lower interest rate than normally charged on borrowers.

"This is a unique study loan scheme and never before implemented by the government," said Najib, who is confident that it will benefit many from the middle-income group.

"The scheme will also increase the number of students furthering their studies at renowned foreign universities."

The SPP1M, managed by a foundation, the Yayasan Peneraju Pendidikan Bumiputera (YPPB), offers a loan period of 20 years, capitalised interest and repayment by borrowers to start six months after completing their studies.

The sum of government guarantee for the scheme is RM500 million, comprising 10 per cent of the SPP1M fund of RM5 billion.

The SPP1M loans are offered for studies at local higher learning institutions listed under the MQA Rating System for Higher Education Institutions in Malaysia for 2011 (SETARA '11) and registered with YPPB.

The fields of study covered based on the National Education Code will be made available on www.penerajuedu.com soon.

In 2011, out of a total of 943,548 students at the tertiary level, 508,256 were studying at public institutions, 482,973 at private institutions and 6,319 at the community colleges.

Those studying at foreign higher learning institutions numbered of 89,686, with 27,003 of them sponsored by the government, corporate sector and other agencies while 62,683 were privately sponsored.

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