

Government introduces new funding under SPP1M scheme for tertiary level students

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PUTRAJAYA: A special loan scheme for tertiary level students, offering funding of between RM100,000 and RM150,000 with an interest rate of BLR-1%, has been introduced.

The Skim Prihatin Pendidikan 1Malaysia (SPP1M) works as a top-up funding and is for students at local and overseas universities.

It is also open to those receiving the PTPTN loan, on government or private scholarships and self-financed students.

For a start, Maybank and RHB Bank have agreed to offer the facility with an initial allocation of RM1bil.

Datuk Seri Najib Tun Razak said that more banks were expected to join in and the scheme would ultimately have RM5bil to offer.

"The Government has put in a guarantee of RM500mil or 10% of the total fund while the interest rate would be far lower than what is usually offered.

"This is an initiative in view of the rising cost of pursuing higher education which puts pressure on parents, especially those paying for their children's studies," the Prime Minister said when launching the scheme at Perdana Putra Building here yesterday.

Najib described the scheme as unique since, he said, it would also benefit those who were receiving scholarships and have already taken out study loans.

He said the scheme would be implemented in two stages April for local universities and June for twinning programmes and overseas universities.

"We expect the scheme to benefit those in the middle and upper middle income groups.

"This is a creative way of helping the rakyat," he said, adding that Yayasan Peneraju Pendidikan Bumiputera would manage the scheme.

Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop later said that the interest rate for the scheme would be BLR-1% during the study period.

Once the students completed their studies, the rate would be BLR +0%, he said.

"The total repayment period is 20 years, including the 15 years of study."

PTPTN imposed an administrative charge of 1% per annum on reducing balance.

The interest rate for normal education loans is between BLR+0.75% and BLR+1.25%.

The current BLR of banks is between 6.2% and 6.6%.

The SPP1M is a top-up fund that will add on to whatever financing that the students are currently receiving, be it PTPTN loans, scholarships or their own funding.

The top-up of RM150,000 is for a medical specialist course while RM100,000 is for other fields.

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