

Umno Youth objects to listing PTPTN loan defaulters in credit bureau database
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Umno Youth has hit out at the government's move to blacklist National Higher Education Fund Corporation (PTPTN) loan defaulters by listing them in the Bank Negara's credit bureau database.

Its chief Khairy Jamaluddin said this was because PTPTN loans were different from other loans such as credit card or higher purchase loans.

"PTPTN loan is a personal choice which is necessary because the government does not provide free education at higher learning institutions and the need to obtain a diploma or a degree is important for the youths' career and intellectual development," said Khairy in a statement today.

"The government should use the available mechanism to collect payments from defaulters who refuse to repay their loans. They should instead focus on repayment incentives and impose interests on the loan holders based on their current situation."

At the same time, he said these loan defaulters consists of a small group and such act to blacklist them would give a negative impression to PTPTN's policy to ensure the younger generations receive the education they deserve.

Khairy said this in response to Education Minister II Datuk Seri Idris Jusoh's announcement on PTPTN's move to list loan defaulters in the Central Credit Reference Information System (CCRIS), a computerised database system used by banks to access prospective borrower's financial profile.

The move has also received a backlash from opposition lawmakers and non-governmental organisations.

PKR said such a move was a form of threat and punishment to the students as they would have problems getting hire purchase, while Perkasa's secretary-general Syed Hassan Syed Ali said it was a persecution of Bumiputera youths as most of these loan holders are Bumiputeras.

Following the criticism, Idris told The Malaysian Insider that the ministry would still need to work out the implementation and would heed views from all parties to ensure no students would be "victimised" or let down by the programme.

PTPTN has approved loan education to 2.2 million students since July 1, 1997 until June 30 this year, which amounted to a total of RM49.9 billion. – August 20, 2013.

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