

Cuepacs: Over 49,000 civil servants risk bankruptcy
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Many civil servants have applied for personal loans from financial institutions, with repayment amounts beyond their means, says Cuepacs president Azih Muda.

KUALA LUMPUR: More than 49,000 civil servants may face the risk of bankruptcy following their failure in managing loan arrears, said Congress of Unions of Employees in the Public and Civil Services (Cuepacs) president Azih Muda.

He said this group of civil servants were found to have applied for personal loans from financial institutions, with repayment amounts beyond their means.

“This situation is getting more serious as there have been civil servants who had forged their salary slips when applying for loans,” Azih told reporters after attending a Labour Day seminar here today.

He said the absence of a system that could monitor the loan applications by civil servants was also among the reasons they could apply for an amount beyond their means and apply for overlapping loans.

“Now the government has given the opportunity for more than 20 credit agencies to deduct the salaries of civil servants who have applied for loans without first having referred to one another (financial institutions).

“They (civil servants) can borrow from any financial institution by only bringing in their salary slips and their salaries will be deducted every month. There are civil servants who have initially applied for a loan with Institution A, and then make subsequent applications with Institution B and C,” said Azih.

As such, he said, Cuepacs was now proposing that the government adopt the system being implemented by the Malaysian National Cooperative Movement (Angkasa), namely the Credit Reporting System (Spekar), which has the records of civil servants.

“This (proposed) system will be able to monitor civil servants’ loans as it can check data on salary deduction and credit information of civil servants.

“Currently, there are over 3,000 people (civil servants) who have been declared bankrupt. The numbers will increase if this (problem) is not curbed,” Azih added.

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