

Frequently Asked Questions on Extended Suspension of Repayment and Interest Accrual of Government Loans and NUS Loan till 30 September 2021

1. Who is eligible for the extended suspension of repayments and interest¹ accrual? Do students who have withdrawn from study and have outstanding loans qualify for the suspension?

All Autonomous University (AU) and polytechnic graduates (regardless of nationality) who have an outstanding Tuition Fee Loan (TFL), Study Loan (SL), Overseas Student Programme (OSP) Loan or NUS Student Assistance Loan (SAL) are eligible for the suspension of repayment and interest¹ accrual of the loans during the suspension period, which is now extended to 30 September 2021. The suspension will apply to all graduates with outstanding loans and students with loans who will be graduating before 30 September 2021. Students who have withdrawn from their courses and have outstanding loans also qualify.

All graduates of all nationalities who have outstanding loans will be eligible and be given automatic suspension for the suspension period. There is no need to apply for the extended suspension.

¹ *Standard interest and late charges not applicable for NUS SAL.*

2. How would students who are graduating from the Autonomous Universities and polytechnics in 2021 be able to benefit from the extended suspension of repayment and interest accrual of government loans?

Students who are graduating from the AUs and polytechnics in 2021 will benefit from a deferment in interest accrual to 30 September 2021, instead of having the loan interest accruing upon graduation. Loan repayment starts later. In line with the usual repayment grace period, polytechnic students graduating in 2021 on TFL will have up to 1 year from date of graduation to commence their loan repayment, while AU students graduating in 2021 will have up to 2 years to do so.

3. What is the reason for the initial suspension of the repayment and interest accrual of government loans for one year from 1 Jun 2020 to 31 May 2021? What is the reason for the extension of this suspension till 30 Sep 2021?

This measure is intended to help graduates manage their expenses and provide greater peace of mind to those whose employment may be impacted by the economic uncertainties amidst the pandemic.

The suspension period has been extended until 30 September 2021 to provide short-term support for graduates whose employment may be affected by the current situation.

4. Do borrowers need to apply to qualify for the extended suspension of repayments and interest?

All graduates who have outstanding TFL, SL, and OSPL will be eligible and be given extended suspension. They need not apply to qualify for the extended suspension.

5. How will this affect the maximum loan repayment period?

For those who have already graduated, or will be graduating before the end of the suspension period (i.e. before 1 October 2021), the maximum loan repayment period will be extended by four months. This is in addition to the one-year extension to the maximum repayment period under the initial suspension. For students who are expected to graduate only after the suspension period, there will be no extension to the maximum repayment period.

6. Can borrowers make repayments during the suspension period?

Yes, borrowers who wish to continue making repayment towards the loan during the suspension period, you can do so with cash, cheque, MEPS and SWIFT. Funds received during the suspension period will be treated as capital repayments (i.e. your outstanding loan amount will be reduced by the full amount since interest accrual and repayments are suspended).

7. Understand that the repayment and interest accrual for overdue repayments accrued before 1 Jun 2020 would have been suspended during the initial suspension period of 1 June 2020 to 31 May 2021. Would this continue to be the case given the extension till 30 Sep 2021?

Yes, all repayments and interest (standard and additional interest) accrued before 1 Jun 2020 will now be suspended till 30 Sep 2021.

8. For repayments and interest accrual that have been deferred earlier based on appeals before the initial suspension period, what would the suspension period be?

If the deferment period for repayment and/or interest accrual ends during the extended suspension period (i.e. on or after 1 June 2020 but before 30 Sep 2021), the repayment and interest accrual will be suspended until 30 Sep 2021.

If the deferment period ends after the extended suspension period, i.e. after 30 Sep 2021, there will not be any further extension of the deferment period.

9. Will affected borrowers be informed of the details? If so, when will borrowers be notified?

Yes, borrowers will be notified by OCBC from mid-June 2021. Borrowers can also visit MOE's website for more information from 28 May 2021.