

A Comparison between CPF Education Scheme and MOE Tuition Fee Loan Scheme

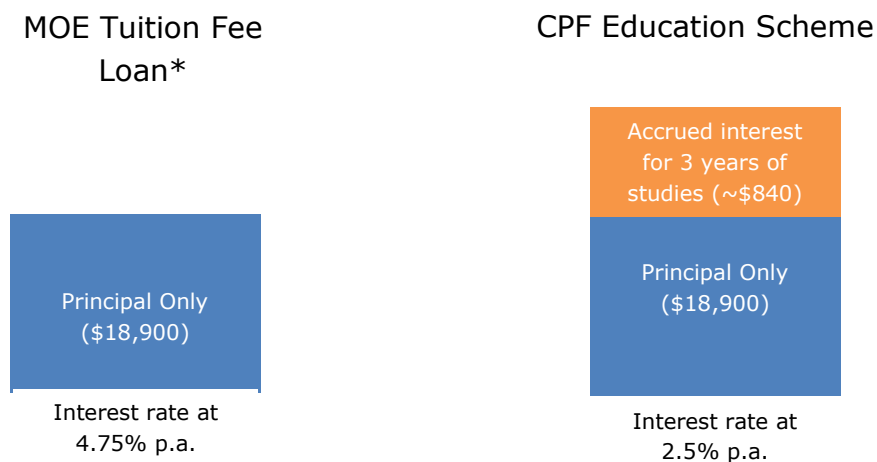
In this illustration, we use a three-year University degree course with total tuition fees of about \$21,000. For a like-to-like comparison with the MOE Tuition Fee Loan scheme, we assume the loan quantum is \$18,900 which is approximately 90% of the total course fees.

The illustration shows that besides interest rates, you should also consider when the interest starts to accrue and how long the intended repayment period is.

Scenario 1

If full repayment is made within two years from graduation at a monthly instalment of about \$830 and \$840, the MOE Tuition Fee Loan will be the cheaper option.

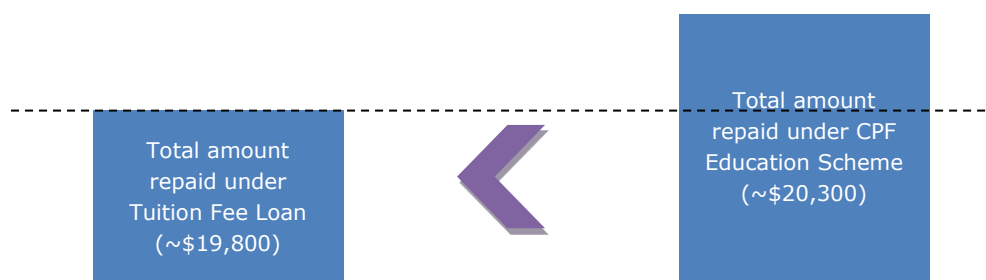
Upon graduation



* The interest rate is based on the prevailing prime rates of some local banks. 4.75% p.a. is used in this example.

** The MOE Tuition Fee Loan is interest-free during the course of study. For the CPF Education Scheme Loan, interest starts to accrue at the point when CPF savings are deducted from a member's account.

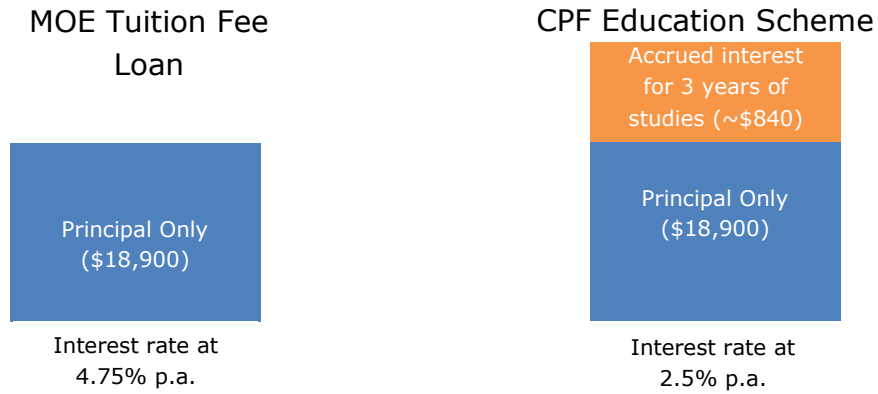
After two years



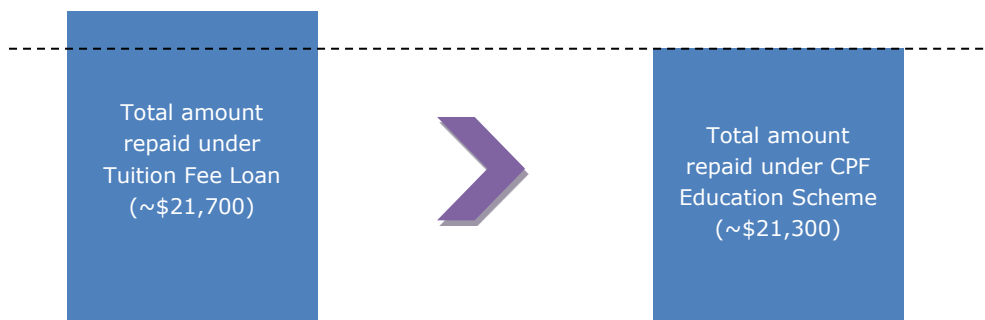
Scenario 2

If full repayment is made within six years from graduation at a monthly instalment of about \$300, the CPF Education Scheme will be the cheaper option.

Upon graduation



After six years



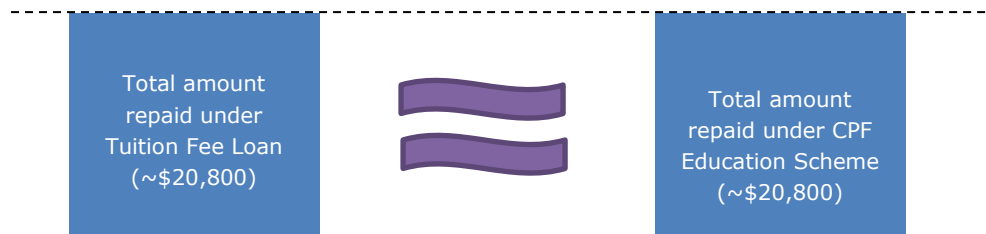
Scenario 3

If full repayment is made within four years from graduation at a monthly instalment of \$430, the total amount paid under both options works out to be almost the same.

Upon graduation



After four years



Students can use the [CPF Education Loan Repayment Period Calculator](#) to compute how long it will take to repay the loan or the [Monthly Instalment Rate Calculator](#) to work out a suitable loan repayment plan.