

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

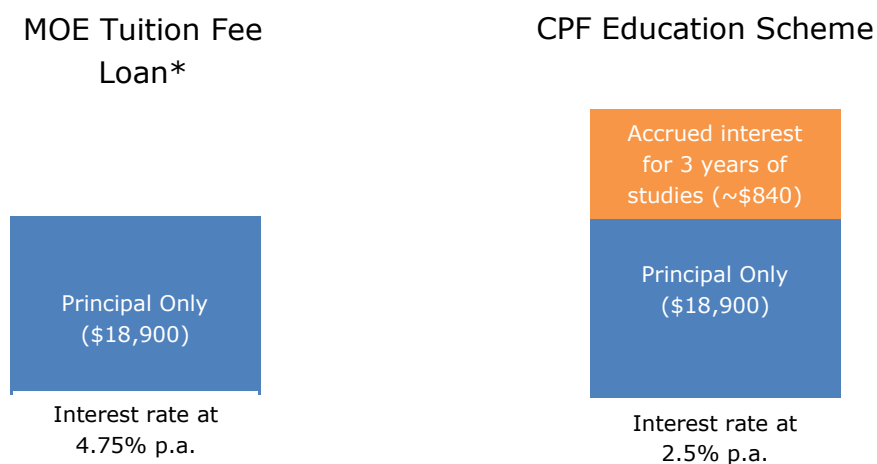
In this illustration, we use a three-year University degree course with total tuition fees of about \$21,000. For a like-to-like comparison with the MOE Tuition Fee Loan scheme, we assume the loan quantum is \$18,900 which is approximately 90% of the total course fees.

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.

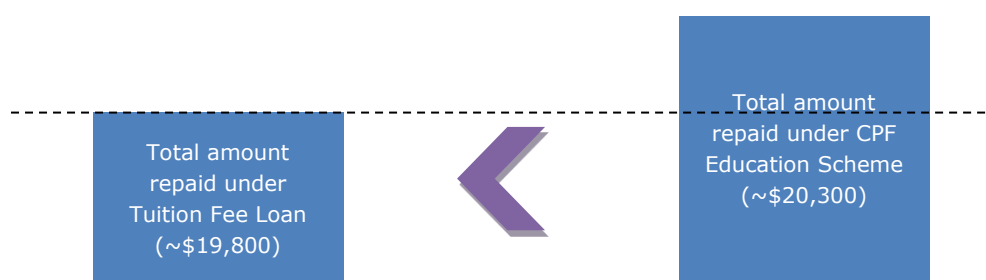
#### Upon graduation



\* 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.

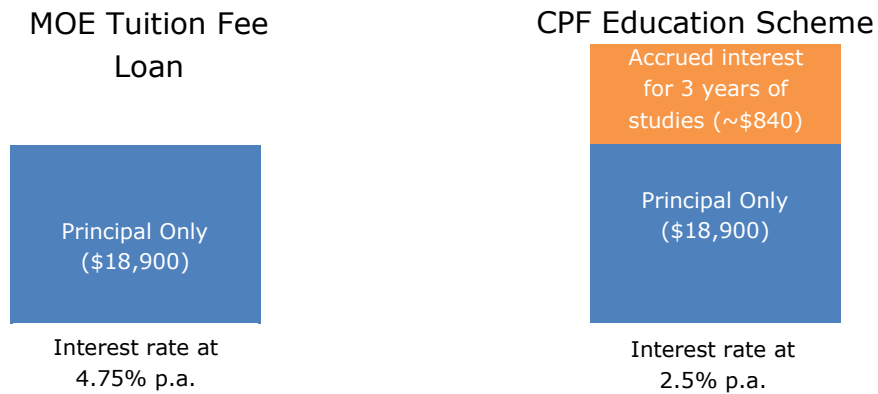
#### After two years



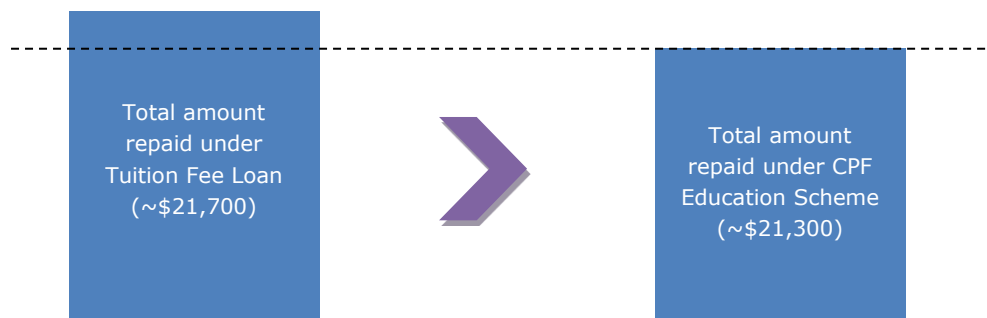
## **Scenario 2**

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



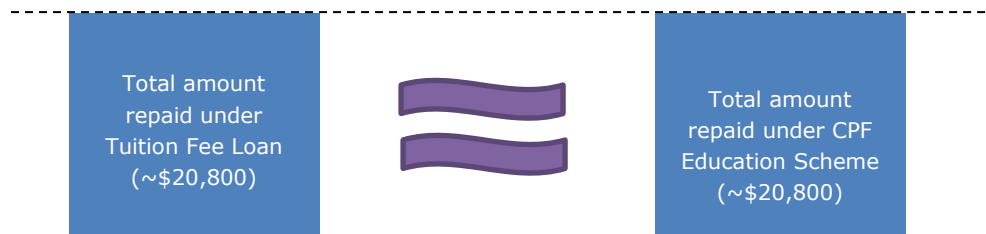
### **Scenario 3**

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.