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

In this illustration, we use a three-year diploma course with total tuition fees of about \$9,000.
For a like-to-like comparison with the MOE Tuition Fee Loan scheme, we assume the loan quantum is $\$ 6,750$ which is approximately $75 \%$ 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 4 years from graduation at a monthly instalment of about $\$ 160$, the MOE Tuition Fee Loan will be the cheaper option.

| MOE Tuition Fee Loan |
| :---: |
| Interest rate at $4.75 \%$ p.a* |

## CPF Education Loan

Interest rate at 2.5\% p.a

## Principal Loan amount <br> $(\$ 6,750)$

MOE Tuition Fee Loan is interest-free during the course of study.


Principal Loan
amount
$(\$ 6,750)$

CPF Education Loan accrues interest immediately when CPF savings are deducted from a member's account.

Accrued Interest
after 3 years
(~\$300)
Principal Loan amount
$(\$ 6,750)$

Accrued Interest
after $3+4$ years
(~\$650)

Principal Loan
amount
$(\$ 6,750)$
$(\$ 6,750)$


| MOE Tuition Fee Loan |
| :---: |
| Total: $\$ 7,380$ |

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

## SCENARIO 2

If full repayment is made within 6 years from graduation at a monthly instalment of about $\$ 110$, the CPF Education Loan will be the cheaper option.


MOE Tuition Fee Loan is interest-free during the course of study.

## CPF Education Loan

Interest rate at 2.5\% p.a

Principal Loan amount
$(\$ 6,750)$

CPF Education Loan accrues interest immediately when CPF savings are deducted from a member's account.

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

## A Comparison between MOE Tuition Fee Loan and CPF Education 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, 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 4 years from graduation at a monthly instalment of about $\$ 440$, the MOE Tuition Fee Loan will be the cheaper option.

| MOE Tuition Fee Loan |
| :---: |
| Interest rate at $4.75 \%$ p.a* |

## CPF Education Loan

Interest rate at 2.5\% p.a

## Principal Loan amount <br> $(\$ 18,900)$

MOE Tuition Fee Loan is interest-free during the course of study.


## Principal Loan

## amount

$(\$ 18,900)$

CPF Education Loan accrues interest immediately when CPF savings are deducted from a member's account.

## Accrued Interest

after 3 years

(~\$840)
Principal Loan amount
$(\$ 18,900)$

Accrued Interest
after $3+4$ years
(~\$1,830)

Principal Loan
amount
$(\$ 18,900)$
(\$18,900)


## MOE Tuition Fee Loan <br> Total: \$20,710

## CPF Education Loan <br> Total: \$20,730

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

## SCENARIO 2

If full repayment is made within 6 years from graduation at a monthly instalment of about $\$ 300$, the CPF Education Loan will be the cheaper option.


MOE Tuition Fee Loan is interest-free during the course of study.

## CPF Education Loan

Interest rate at 2.5\% p.a

Principal Loan
amount
$(\$ 18,900)$

CPF Education Loan accrues interest immediately when CPF savings are deducted from a member's account.

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

