

## **INSTRUCTIONS FOR CPF MEMBER/STUDENT FOR THE USE OF CPF SAVINGS UNDER THE EDUCATION LOAN SCHEME**

### **PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY BEFORE FILLING THE AES/F1 FORM.**

1. The CPF member is required to submit only **ONE** application form for the student's course of study at the approved educational institution. The course of study must be a full-time diploma/degree course subsidised by the Ministry of Education. It is **NOT** necessary to submit a fresh form every semester.
2. Please read the attached carefully:
  - i. Terms and Conditions (AES/F1-A); and
  - ii. Procedures and Guidelines (AES/F1-B),for the use of CPF savings under the Education Loan Scheme, before completing the AES/F1 form.
3. Please submit the completed application form, together with any documents where applicable, to the **APPROVED EDUCATIONAL INSTITUTION<sup>1</sup>**.
4. Do **NOT** submit the Terms and Conditions, and Procedures and Guidelines with the application form.
5. There is no need to submit supporting documents (e.g. student's birth certificate and marriage certificate) for this application.

*Do not submit this document with your application*

<sup>1</sup>To avoid the deduction of tuition fees from the student's GIRO account while this application is being processed, please submit the completed application form to the approved educational institution in which the student is enrolling with or has enrolled in. Approved educational institutions included under the Education Loan Scheme are:

Universities:	Nanyang Technological University (NTU), National University of Singapore (NUS), Singapore Management University (SMU), Singapore Institute of Technology (SIT), Singapore University of Social Sciences (SUSS) and Singapore University of Technology and Design (SUTD);
Polytechnics:	Ngee Ann Polytechnic (NP), Nanyang Polytechnic (NYP), Republic Polytechnic (RP), Singapore Polytechnic (SP), and Temasek Polytechnic (TP);
Art colleges:	LASALLE College of the Arts (LASALLE), and Nanyang Academy of Fine Arts (NAFA);
Post-secondary institution:	Institute of Technical Education (ITE)

**TERMS AND CONDITIONS FOR USE OF CPF SAVINGS UNDER THE EDUCATION LOAN SCHEME****1. GENERAL**

- 1.1 The use of CPF savings under the Education Loan Scheme is subject to the provisions of the Central Provident Fund Act (Chapter 36) ("CPF Act") and any subsidiary legislation<sup>2</sup> made thereunder and any amendments, modifications or re-enactments thereof, these Terms and Conditions, the Procedures and Guidelines and also to all such terms, conditions and/or guidelines as may be imposed by CPF Board from time to time.
- 1.2 CPF Board reserves its rights to add, amend, delete, modify or vary these terms, conditions and/or guidelines in its sole discretion at any time by notifying the CPF member<sup>3</sup>, student<sup>4</sup> and/or guarantor of the additions, amendments, deletions, modifications or variations. The posting on CPF Board's website of the additions, amendments, deletions, modifications or variations of these terms, conditions and/or guidelines or by otherwise making public of these additions, amendments, deletions, modifications or variations in such manner deemed appropriate by CPF Board shall constitute good and sufficient notice thereof to the CPF member, student and/or guarantor, as the case may be, by CPF Board.
- 1.3 This application to use CPF savings acts as a standing instruction to authorise CPF Board to withdraw moneys standing to the credit of the CPF member for the purpose of the Education Loan Scheme. CPF Board will deduct the amount authorised to be withdrawn under the Education Loan Scheme from the member's Ordinary Account, and pay the amount directly to the approved educational institution for the student's tuition fees. Please refer to **paragraph 3** below on "**Withdrawal Limit/Manner Of Withdrawal**" for details on the amount that may be withdrawn under the Education Loan Scheme and the validity of this authorisation. CPF Board will consider the application by a member to use his CPF savings to pay for his sibling's or his relative's tuition fees on a case-by-case basis.
- 1.4 CPF savings can only be used to pay the tuition fees for full-time courses which are subsidised by the Ministry of Education ("**MOE**") at approved educational institutions. Such courses must lead to an undergraduate degree (including an Honours degree) or a diploma. The CPF member must ensure that this application to use CPF savings under the Education Loan Scheme is to pay the tuition fees for a full-time course subsidised by MOE at an approved educational institution. In the event that the application is for a course that does not meet the above criteria and the CPF savings have been paid to the approved educational institution, CPF Board will demand from the approved educational institution, immediate refund of the whole of the tuition fees paid from the CPF member's CPF savings. The CPF member/student is required to settle any outstanding tuition fees with the approved educational institution directly.
- 1.5 All letters will be sent to the address which the CPF member/student maintains with CPF Board. The CPF member/student shall notify CPF Board of any change in his address<sup>5</sup>.
- 1.6 The Education Loan Scheme is a loan scheme. The student is required to repay to the CPF member's CPF account, the CPF savings withdrawn under the Education Loan Scheme including such interest that would have accrued on this amount if the CPF savings were not withdrawn from the CPF member's CPF account. CPF Board may take actions against the student to enforce repayment if he fails to make repayment.

**2. OFFENCES**

- 2.1 Under section 58(1)(a) of the CPF Act, it is an offence if any person for any purpose connected with the CPF Act:
- knowingly makes any false statement; or
  - produces or furnishes or causes or knowingly allows to be produced or furnished any document which he knows to be false in a material particular.
- 2.2 The CPF member, student and guarantor must ensure that the information provided and declared to be true in the application to use CPF savings under the Education Loan Scheme is correct; this includes but is not limited to the relationship of the student to the CPF member. CPF Board can bring charges against any CPF member, student or guarantor found to have provided any false information in the application as an offence under section 58(1)(a) of the CPF Act.

<sup>2</sup>A softcopy of the CPF Act and its subsidiary legislation can be obtained from the Singapore Statutes Online. Hardcopies of the CPF Act and its subsidiary legislation can be purchased from the Government Printer, Toppan Leefung Pte Ltd, Legal Publishing. A copy of the Terms and Conditions and the Procedures and Guidelines for the use of CPF savings under the Education Loan Scheme may be obtained from the CPF website.

<sup>3</sup>"CPF member" refers to the person whose CPF savings will be or have been used to pay for the student's education.

<sup>4</sup>"Student" refers to the person using CPF savings for his education under the Education Loan Scheme.

<sup>5</sup>For a Singapore Citizen/Permanent Resident, he shall be deemed to have notified CPF Board of the changes in his residential address if he has made a report of the change at the Immigration & Checkpoints Authority or any Neighbourhood Police Post/Centres. Subsequently, this new address shall be maintained in CPF Board's records. CPF Board will send all letters to this address.

### 3. WITHDRAWAL LIMIT/MANNER OF WITHDRAWAL

- 3.1 Under the Education Loan Scheme, the CPF member can withdraw the savings from his Ordinary Account to pay the tuition fees incurred by the CPF member himself, his children, his spouse or his relative for full-time MOE-subsidised courses leading to an undergraduate degree (including an Honours degree) or a diploma at the approved educational institutions. An administrative fee including Goods and Services Tax (“**GST**”) shall be charged by CPF Board for each deduction. Subject to **paragraph 3.7**, the amount withdrawn for the tuition fees will be paid directly to the approved educational institution.
- 3.2 The amount available for withdrawal from a CPF member’s Ordinary Account under the Education Loan Scheme<sup>6</sup> is the lower of the following amounts:
- i. 40% of his accumulated Ordinary Account savings<sup>7</sup> less the net amount already used under the CPF Education Loan Scheme<sup>8</sup>, or
  - ii. the remaining balance in the Ordinary Account after setting aside any amounts reserved for housing or other schemes (if any).
- 3.3 On turning 55 years old, the CPF member is required to set aside the Full Retirement Sum (FRS) in the Retirement Account before he can use the remaining savings in the Ordinary Account under the Education Loan Scheme. The FRS can be set aside fully with cash, or with cash (i.e. at least the Basic Retirement Sum) and property.
- 3.4 The CPF member’s application for the withdrawal of his CPF savings under the Education Loan Scheme will be taken as a continuing authorisation by the CPF member to CPF Board to use his Ordinary Account savings to pay the student’s tuition fees and the associated CPF administrative fees including GST.
- 3.5 This authorisation shall continue until:
- i. the CPF member’s application to revoke the authorisation has been approved by CPF Board;
  - ii. the student completes the course of study; or
  - iii. the student leaves the approved educational institution,
- whichever is the earliest.
- 3.6 The maximum amount that may be withdrawn from the CPF member’s Ordinary Account under the Education Loan Scheme for the student’s tuition fees for each semester is as follows<sup>9</sup>:
- i. if the student is the CPF member himself, 100% of the tuition fees may be paid for from his CPF savings;
  - ii. if the student is the CPF member’s child, spouse or sibling, 100% of the tuition fees may be paid for from the CPF member’s CPF savings; and
  - iii. if the student is the CPF member’s relative, the percentage of tuition fees that may be paid for from the CPF member’s CPF savings is:
    - 10% if the student is studying at a university;
    - 25% if the student is studying at a polytechnic, or pursuing a Technical Engineer Diploma (TED) or a Technical Diploma in Culinary Arts at an Institute of Technical Education; and
    - 50% if the student is studying at an art college.

<sup>6</sup>The formula used to determine the amount available for withdrawal from a CPF member’s Ordinary Account under the Education Loan Scheme may be revised from time to time. CPF members can check the amount that they may use under the Education Loan Scheme using their SingPass from the CPF website.

<sup>7</sup>The accumulated CPF Ordinary Account savings refers to the sum of the following:

(a) balance in the CPF member’s Ordinary Account; and

(b) net amount of Ordinary Account savings withdrawn under the CPF Education Loan Scheme and Investment Scheme.

(For greater clarity, please note that the accumulated CPF Ordinary Account savings does not include amount withdrawn for housing.)

<sup>8</sup>The net amount already used under the CPF Education Loan Scheme is the total principal amount used under the scheme (i.e. excludes interest), less any repayments and refunds made under the scheme to the CPF member’s CPF account.

<sup>9</sup> The formula used to determine the maximum amount that may be withdrawn from a CPF member’s Ordinary Account for the payment of tuition fees under the Education Loan Scheme for each semester may be revised from time to time.

- 3.7 The amount to be withdrawn is based on the amount of subsidised tuition fees as advised by the approved educational institution, subject to the amount available for withdrawal in the CPF member's Ordinary Account and the maximum amount that may be withdrawn for each semester.
- 3.8 In the event where the student is paying or intends to pay his tuition fees at the approved educational institution with other sources of funding in addition to the withdrawal under the Education Loan Scheme, CPF Board can determine the priority for the use of CPF savings.
- 3.9 The student cannot be an undischarged bankrupt. If the student is adjudicated a bankrupt after the withdrawal of the CPF member's CPF moneys has been approved under the Education Loan Scheme, CPF Board shall cease to permit the continued withdrawal of the CPF member's CPF savings for the student's tuition fees. In the event that the student is using his own CPF moneys to pay for his tuition fees under the Education Loan Scheme and is adjudicated a bankrupt after his application to use his CPF moneys has been approved under the Education Loan Scheme, CPF Board may permit the continued withdrawal of his CPF savings for his tuition fees, subject to such terms and conditions as may be imposed by CPF Board.

#### 4. REPAYMENT

- 4.1 The student is required to repay to the CPF member's CPF account, the CPF savings withdrawn under the Education Loan Scheme including such interest that would have accrued on this amount if the CPF savings were not withdrawn from the CPF member's CPF account ("**Accrued Interest**"). The student is required to repay the CPF savings withdrawn with Accrued Interest, regardless whether he completes the course of study. Please refer to **paragraph 9** on "**Interest Rate/Interest Computation**" below for details of the interest rate computation.
- 4.2 Repayment will commence<sup>10</sup>
- i. one year after the student has completed his course of study; or
  - ii. one year from the date the student leaves the approved educational institution, if the student does not complete his course of study,
- whichever is applicable.
- 4.3 Before repayment commences, CPF Board will notify the student of the date of commencement of repayment, and the details of the student's repayment plan. If, for any reason, the student fails to have sight of such notice 9 months after the student has completed his course of study, or leaves the approved education institution (as the case may be), the student should contact CPF Board to obtain details of the date of commencement of repayment and details of the student's repayment plan. The failure to have sight of such notice shall not absolve the student of his obligation to repay the CPF member's CPF savings withdrawn, together with the Accrued Interest under the Education Loan Scheme.
- 4.4 The CPF savings withdrawn under the Education Loan Scheme and the Accrued Interest must be fully repaid over a maximum period of 12 years<sup>11</sup>. The student must repay a minimum of \$100 a month or such higher sum as CPF Board may determine. The student may make lump sum repayments on top of his monthly instalments to accelerate the full repayment of the loan.
- 4.5 Repayment to CPF Board can be made in monthly instalments through GIRO, or such other modes of repayments approved by CPF Board. Please visit [cpf.gov.sg](http://cpf.gov.sg) for more information on the various approved modes of repayment. If the student makes a repayment that is higher than the outstanding loan amount, CPF Board reserves the right to credit the excess repayment amount into the CPF member's Ordinary Account, without having to notify the student or the CPF member.
- 4.6 Repayment must be made in CASH. The student cannot use his own CPF savings for the repayments to the CPF member's CPF Account.
- 4.7 All repayments of the CPF savings withdrawn under the Education Loan Scheme and the Accrued Interest will be credited to the CPF member's Ordinary Account.

<sup>10</sup> After graduating or leaving the approved educational institution, the student may contact CPF Board if he wishes to make repayment before the one year grace period is up.

<sup>11</sup> The period of repayment may be adjusted by CPF Board on an exceptional basis. Students are advised to repay their loans earlier to reduce the interest payable on the loans.

## 5. DEFAULT IN REPAYMENT

- 5.1 If the student fails to make repayment of the CPF savings withdrawn and the Accrued Interest in accordance with the repayment plan determined by CPF Board, the following actions may be taken against him:
- i. Information relating to the student may be disclosed to another person, including but not limited to credit bureaus and/or the student's employers, to facilitate CPF Board's enforcement of the student's undertaking to repay the outstanding sum withdrawn (including Accrued Interest) under the Education Loan Scheme; and/or
  - ii. legal action may be taken by CPF Board to enforce the repayment by the student and/or the guarantor (where applicable) for the whole or such part of the amount of CPF savings withdrawn and the Accrued Interest that are still outstanding.
- 5.2 In the event CPF Board takes legal action against the student and/or the guarantor to enforce the repayment of the CPF savings withdrawn (including Accrued Interest), the student and/or the guarantor (where applicable) will be liable to pay all the legal costs and expenses on an indemnity basis including but not limited to all costs and expenses incurred for obtaining and enforcing any judgement or court order made against the student and/or the guarantor (where applicable).
- 5.3 The student and/or the guarantor (where applicable) will also be liable to pay, on an indemnity basis, all preliminary legal costs and expenses incurred by CPF Board to recover the CPF savings withdrawn (including Accrued Interest) including but not limited to the cost of sending letters of demand.
- 5.4 If the student and/or guarantor is required to repay the legal cost and expenses under **paragraphs 5.2 and 5.3**, they remain liable to repay these amounts even in the situation where CPF Board has approved the CPF member's waiver application (please refer to **paragraph 6** below on "**Waiver of Repayment**" for more details on waiver applications).

## 6. WAIVER OF REPAYMENT

- 6.1 A CPF member can apply to waive the repayment of his CPF savings withdrawn under the CPF Education Loan Scheme for his child or relative, if he meets the following criteria at the time of his application for waiver:
- i. he is entitled to withdraw his CPF savings on any one of the following CPF withdrawal grounds:
    - attaining the age of 55 years;
    - medical grounds; or
    - leaving Singapore and West Malaysia permanently, or Malaysians residing in West Malaysia; and
  - ii. he has set aside the Full Retirement Sum (FRS) in the Retirement Account. The FRS can be set aside fully with cash, or with cash (i.e. at least the Basic Retirement Sum) and property.
- 6.2 CPF Board will waive the repayment of the CPF member's CPF savings only for students who have graduated or left the approved educational institution or withdrawn from the course of study. The amount to be waived for these students will not include the amount of CPF savings withdrawn for their current course of study (if any).
- 6.3 After approving the CPF member's application, CPF Board will waive the repayment of the outstanding amount of CPF savings withdrawn for the student(s) concerned, and the Accrued Interest under the CPF Education Loan Scheme.
- 6.4 Where the CPF member has made a withdrawal under the Education Loan Scheme for his own education purposes, he is not required to repay the amount withdrawn by him under the Education Loan Scheme including the Accrued Interest, if CPF Board is satisfied that he has withdrawn his CPF savings under section 15(2), (3) or (4) or 27(2) of the CPF Act and has complied with the requirements for such withdrawal.
- 6.5 The CPF member cannot revoke his application for the waiver of repayment of his CPF savings once the application has been approved by CPF Board. All waivers of repayment which have been approved by CPF Board are **final** and will remain waived.
- 6.6 The CPF member's application is governed by the provisions of the Central Provident Fund Act 1953 and the Central Provident Fund (Education Scheme) Regulations and any amendments, modification or re-enactment thereof.

## 7. GUARANTOR

- 7.1 The guarantor shall provide a guarantee to CPF Board, notwithstanding any extension of time CPF Board may give to the student, for repayment of any or all the CPF savings withdrawn from the CPF member's CPF account and the Accrued Interest. Unless otherwise approved by CPF Board, the guarantor's obligations for the guarantee shall not be discharged until all the CPF savings withdrawn and the Accrued Interest have been repaid to the CPF member's CPF account.
- 7.2 Subject to **paragraphs 7.3 and 7.4**, there is no requirement for a student to provide a guarantor if the application for the withdrawal under the CPF Education Loan Scheme was received by CPF Board on and after 1 April 2005. For applications approved under the Education Loan Scheme prior to 1 April 2005, all guarantees executed thereunder shall remain valid and enforceable. However, subject to **paragraphs 7.3 and 7.4**, no replacement guarantor is required in the event that the existing guarantor no longer meets the conditions for a guarantor.
- 7.3 CPF Board reserves the right to require a student to furnish a guarantee by any person acceptable to CPF Board when it is deemed necessary by the CPF Board.
- 7.4 With effect from 10 November 2008, a student who is **not** a Singapore Citizen or Singapore Permanent Resident is required to provide a guarantor. In the event that the existing guarantor is no longer able to meet the conditions of a guarantor, such as but not limited to death or bankruptcy of the guarantor, the student and/or the CPF member shall notify CPF Board in writing and provide a new guarantor.
- 7.5 The guarantor is required to pay on demand, the CPF savings withdrawn and the Accrued Interest and any legal cost and expenses (including all preliminary legal costs and expenses incurred by CPF Board to recover the CPF savings withdrawn and the Accrued Interest) which are due and owing by the student, if the student fails to make repayment. Legal action may be taken by CPF Board to enforce the repayment by the guarantor, and the guarantor will be liable to pay all the legal costs and expenses (including any preliminary legal costs and expenses) on an indemnity basis including but not limited to all costs and expenses incurred for sending letters of demand and obtaining and enforcing any judgement or court order made. Please note that legal action need not be commenced against the student prior to commencing legal action against the guarantor.

## 8. DEATH/INCAPACITY<sup>12</sup> OF CPF MEMBER OR STUDENT

- 8.1 The obligation to repay the CPF savings withdrawn, together with the Accrued Interest shall cease upon:
- i. the death of the CPF member; or
  - ii. the death or incapacity of the student.
- 8.2 Neither the student nor his estate, as the case may be, would be required to repay any amount withdrawn under the Education Loan Scheme upon the occurrence of any of the events under **paragraph 8.1**. For the avoidance of doubt, even if the student subsequently recovers from his incapacity, he is no longer obliged to repay.

## 9. INTEREST RATE/INTEREST COMPUTATION

- 9.1 Accrued Interest will be computed from the date the CPF savings are deducted from the CPF member's Ordinary Account.
- 9.2 The interest rate will be pegged at the prevailing CPF interest rate.

## 10. ADMINISTRATIVE FEE

- 10.1 An administrative fee of \$10, which may be revised from time to time, plus GST, will be charged for each deduction from the CPF member's account. The fee and GST will be deducted from the CPF member's Ordinary Account and will form part of the CPF savings withdrawn to be repaid by the student.

<sup>12</sup>"incapacity" refers to being physically or mentally incapacitated from ever continuing in any employment or in such other manner as the Minister may approve.

## **11. CONSENT TO PROVIDE AND DISCLOSE REQUIRED INFORMATION**

- 11.1 CPF Board may, at any time, require the following organisation and/or person to furnish CPF Board with documents and/or information to enable it to perform its duties under the Education Loan Scheme (including but not limited to the verification of the relationship between the CPF member and the student, the verification of the course of study and for the enforcement of repayment):
- i. the CPF member;
  - ii. the student;
  - iii. the guarantor;
  - iv. the approved educational institution in which the student is enrolling with or had enrolled in;
  - v. any relevant authority and/or person as it deems necessary.
- 11.2 The student, CPF member and guarantor authorise CPF Board to obtain his information from himself, approved educational institution in which the student is enrolling with or had enrolled in, any relevant authority and any person as CPF Board deems necessary to enable CPF Board to perform its duties under the Education Loan Scheme.
- 11.3 The student, CPF member and guarantor authorise CPF Board to disclose such information as CPF Board may consider appropriate (including but not limited to the bankruptcy status of the student, CPF member and guarantor) to enable CPF Board to perform its duties under the Education Loan Scheme, to the approved educational institution and such relevant authority or person as CPF Board deems fit.
- 11.4 The student authorises CPF Board to disclose to credit bureaus and the student's future employers, such information relating to him, as CPF Board may deem necessary and appropriate to enable it to perform its duties under the Education Loan Scheme, and/or to enforce the undertaking given by the student to repay the amount of CPF savings withdrawn under the Education Loan Scheme, including the Accrued Interest, and any legal costs and expenses incurred by CPF Board in enforcing the undertaking.

*Do not submit this document with your application*