

REVISED BASIS FOR LOAN INTEREST RATE FOR GOVERNMENT LOAN SCHEMES

1. What is the revised basis for loan interest rate for government loan schemes?

The Ministry of Education is revising the basis for standard and late payment interest on **government loan schemes** for:

- I) Tuition Fee Loan
- II) Study Loan
- III) Overseas Student Programme Loan.

If you have signed your government student loan agreement on and after 1 April 2024, the revised interest rates based on Singapore Overnight Rate Average (SORA) will apply to you.

The interest rates will be **revised on half-yearly interest rates every 1 April and 1 October** as follows:

- The **standard interest rate**¹ will be 3-month compounded Singapore Overnight Rate Average (3M SORA) plus 1.5 percentage points or such other rates as may be determined from time to time by the bank.
- The **late payment interest for overdue and unpaid loans/loan instalment** will be 3M SORA plus 4.5 percentage points or such other rates as may be determined from time to time by the bank.

The interest rates will be revised on a half-yearly basis based on the 3M SORA² published on the Monetary Authority of Singapore's (MAS) website³ on 1 March (for the period 1 April to 30 September) or 1 September (for the period 1 October to 31 March of the following calendar year)⁴.

2. If I am applying for a government loan scheme **on and after 1 Apr 2024**, what is the loan interest rate that will apply to me?

If you have signed your government student loan agreement on and after 1 April 2024, the revised interest rates based on Singapore Overnight Rate Average (SORA) will apply to you as follows:

¹ The standard interest rate is not applicable to interest-free Study Loan.

² SORA is the volume-weighted average rate of borrowing transactions in the unsecured overnight interbank SGD cash market in Singapore between 8am and 6.15pm. The 3-month compounded SORA is the rolling compounded average of daily SORA over the past respective period.

³ <https://eservices.mas.gov.sg/statistics/dir/DomesticInterestRates.aspx>

⁴ If 1 March or 1 September falls on a weekend and/or a public holiday when the 3M SORA rates are not published by MAS, we will take the 3M SORA published on the MAS website on the last preceding business day in Singapore. For example, if 1 September is a Saturday, we will take the 3M SORA published on MAS website on 31 August.

- The **standard interest rate** will be 3-month compounded Singapore Overnight Rate Average (3M SORA) plus 1.5 percentage points or such other rates as may be determined from time to time by the bank.
- The **late payment interest for overdue and unpaid loans/loan instalment** will be 3M SORA plus 4.5 percentage points or such other rates as may be determined from time to time by the bank.

The interest rates will be **revised on half-yearly interest rates every 1 April and 1 October**.

Please refer to our website on updates on the half-yearly interest rates:
go.ocbc.com/moeloanrates

Borrowers who are on the interest-free Study Loan will continue to be interest-free during the maximum repayment period for the loan and not change to the revised SORA basis. The late payment interest will be 3M SORA plus 4.5 percentage points.

3. If I am an existing borrower for a government loan scheme before 1 Apr 2024, what is the loan interest rate that will apply to me?

If you signed your loan agreement before 1 April 2024, you will be retained on the interest rate basis of the prime lending rates for standard interest of interest-bearing loans, and late payment interest of 12% per annum for any late payment on your loan(s), as stipulated in your existing loan agreements, until 31 March 2027.

From 1 April 2027, the revised interest rates based on SORA will apply to both the standard interest and late payment interest on your outstanding loan(s).

You may use the transition period for financial planning or to make adjustments to your repayment plan.

If you have an **interest-free Study Loan** before 1 April 2024 your Study Loan will continue to be interest-free during the maximum repayment period (i.e. you will not need to pay standard interest at a SORA-based rate from 1 April 2027). The late payment interest charged for any late payment on your loan – 12% per annum, as stipulated in your existing loan agreement – will apply until 31 March 2027. Thereafter, the late payment interest will be adjusted to 3M SORA plus 4.5 percentage points from 1 April 2027.

4. Will I receive a notification from the bank whenever the interest rate changes half-yearly on 1 Apr and 1 Oct?

The Bank will **not** be issuing notifications to update you of the half-yearly changes to the interest rates.

Please refer to the go.ocbc.com/moeloanrates for updates **on half-yearly interest rates every 1 April and 1 October**.

5. Where can I find the revised or existing interest rates?

Please refer to the go.ocbc.com/moeloanrates for updates on half-yearly interest rates every 1 April and 1 October.

UPDATE OF PERSONAL PARTICULARS

1. My contact details have changed, how can I update my details?

To ensure that the Bank can continue to reach you for any updates on your loan status and other loan-related information, please inform the Bank immediately of any change in your contact details, including residential address, telephone numbers (home and mobile), and email address.

If you're an OCBC customer, you can update your contact details online such as your mailing address, phone number or email. Login to OCBC Online Banking > Customer Service > Change mailing address or Change personal details.

Alternatively, please complete the Change of Address/ Contact Details Form. You may download the form via the following steps:

1. Visit our official OCBC Bank webpage
2. Select "Personal Banking"
3. Select "Help and Support" at bottom of the page
4. Select "Banking Forms"
5. Under "Popular Forms", select "Change of Address / Contact Details"

Please mail the form to the indicated address. We regret to inform you we will not be able to accept scanned copies or softcopies due to security reasons.

If you're not yet an OCBC customer, you can update your contact details at the branch.

2. My citizenship status has changed, how can I update my details?

You can update your citizenship status details at the branch.