



**FACTORS THAT CONTRIBUTE TO THE DEFAULT OF
EDUCATION LOAN REPAYMENT AT TABUNG AMANAH
PENDIDIKAN NEGERI MELAKA**

SITI NUR HAZIRAH BINTI ABDUL FATTAH

2009271772

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS ADMINISTRATION
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA, MELAKA**

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LOAN REPAYMENT AT TABUNG AMANAH PENDIDIKAN NEGERI
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SITI NUR HAZIRAH BINTI ABDUL FATTAH
2009271772

Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Finance

FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MELAKA

2010

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

**FACULTY BUSINESS ADMINISTRATION
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA, MELAKA**

“DECLARATION OF ORIGINAL WORK”

I, Siti Nur Hazirah Binti Abdul Fattah, (I/C No: 880610-56-5016)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledgement.

Signature: _____

Date: _____

LETTER OF SUBMISSION

April, 2011

The Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

Universiti Teknologi MARA

110, Off Jalan Hang Tuah,

75300, MELAKA

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**FACTORS THAT CONTRIBUTE TO THE DEFAULT OF EDUCATION LOAN REPAYMENT AT TABUNG AMANAH PENDIDIKAN NEGERI MELAKA**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You

Yours sincerely,

SITI NUR HAZIRAH BINTI ABDULA FATTAH

2009271772

Bachelor of Business Administration (Hons) Finance

ABSTRACT

Education loan is one of funds that provided by the government to help the students to pursue their studies at higher level of education. Where this funds will help the students in bearing education cost and other expenses. These funds have to be returned after they are graduated. It becomes serious problem when they are facing the difficulty in repayment. According to this problem, this study was done, where the main purpose is to investigate factors that contribute to the default of the education loan repayment. This study was conducted at Tabung Amanah Pendidikan Negeri Melaka (TAPEM). Three variables were developed which are loan interest charged, income level and borrower attitude. Data collected and evidences are being processed by using the SPSS 11.5 Computer program. The researcher also wants to test the hypothesis, which are to investigate the relationship between dependent variable (factors that contribute to the default of education loan repayment) and the independent variable (loan interest charged, income level, and borrowers attitude) that have formulated earlier. Pearson's Correlation Coefficient was used in order to know the relationship between independent variables (loan interest charged, income level and borrower attitude) and dependent variables (factors that contribute to the default of education loan repayment). From the finding, the result shows that only borrower attitude is the most factors that contribute to the default of education loan repayment. For recommendation, organization should work together with the universities to conduct programs to instill positive attitude toward the loan among students or borrowers. It very important to give their awareness and feel more responsibility to their repayment obligation and it will help other student in the future to pursue their studies.