

UNIVERSITI TEKNOLOGI MARA

**FACTOR THAT INFLUENCE LOAN REPAYMENT
DEFAULT AMONG NATIONAL HIGHER
EDUCATION FUND CORPORATION (NHEFC)
BORROWER: CASE STUDY AMONG UITM
SEGAMAT GRADUATES INTAKE SEPTEMBER
2013**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Islamic Banking)**

Faculty of Business and Management

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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This final year project paper has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

Government has introduced National Higher Education Fund Corporation (NHEFC) established in 1997 and had given study loans to 2.6 million students. Furthermore, almost half a million National Higher Education Fund Corporation (NHEFC) borrowers have not paid a single cent of RM 2.79 billion and caused NHEFC lack of money to provide loan to new student. Malaysia graduate failed to secure opportunities for job because of attitude and proved one in four fresh graduates in Malaysia remains unemployed within six month after graduates. The study conducted purpose to investigate whether age, attitude, knowledge, and intention to pay loan will affect the loan repayment default among UiTM Segamat graduates. The research design for this study employ quantitative method of systematic sampling and questionnaire that developed by referring detailed relevant literature. The dependent variable is loan repayment default and independent variable are age, attitude, knowledge and intention to pay. The sample used in this study is UiTM Segamat intake September 2013 graduates by distribute 150 questionnaires. Then, data collected will be analyzed using SPSS to generate Descriptive Analysis, Reliability Analysis, Factor Analysis, Correlation Analysis and Regression Analysis to test effect of (age, attitude, knowledge and intention to pay) towards loan repayment default. The finding of this study will be useful insight of NHEFC, UiTM and NHEFC borrower. Finding from research conducted indicate there is high correlation between age, attitude, knowledge and intention toward loan repayment default. However only age, knowledge and intention are significant at ($\rho = 0.001$) ($\rho = 0.000$) and ($\rho = 0.054$) respectively meanwhile, attitude is not significant.

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