

THE NATION

REGISTERED AT G.P.O. AS A NEWSPAPER

VOL. 26 NO. 79

THURSDAY, 18 APRIL 2019

WWW.MWNATION.COM

PRICE: K600



PHOTOGRAPH: NATION

Chisoni: We are pleased with progress

Loans Board recovers K562m

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Some former students of the University of Malawi (Unima) and Mzuzu University (Mzuni) have paid back K562 million of the K1.2 billion they owed government in student loans.

Higher Education Students' Loans and Grants Board board executive director Chris Chisoni said in an interview yesterday that the money was recovered between April 2016 and January 2019 and represents 47 percent recovery rate.

He said 6 543 of the 15

745 former beneficiaries have complied to date.

Chisoni said the loans were disbursed between 1985 and 2012 for eligible needy students at Unima and Mzuni, which opened in 1998, to complete their studies.

He said: "Students loans were introduced in 1985 when the Government

of Malawi and the International Monetary Fund and the World Bank introduced cost-sharing mechanisms in public universities to allow parents and guardians take responsibility for paying fees for their wards.

"Before that, higher

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Govt postpones MHRC swearing in ceremony
—Notional P2

Board satisfied with loan recovery progress

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education was solely the responsibility of government in developing nations."

Chisoni said his board is now left to recover K638 million, but the institution was pleased with the progress so far.

He said since its inception, the board

has witnessed improved collaboration with various employers in tracing, tracking and engaging employed graduates who benefited from the old students loans schemes.

But Chisoni said the board is not able to reach all beneficiaries because only 85 percent are in formal employment while the rest are just not

willing to comply due to a culture of non-repayment of loans that exists among Malawians.

He said the board continues to engage employers in both private and public sector on payment modalities for outstanding loans from those currently employed by these firms.

With the assistance

of the Credit Reference Bureau, Chisoni said students that still owe government money cannot access loans from any commercial bank.

He said as at March 31 this year, 625 former beneficiaries who defaulted on repayment failed to access loans due

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Loans Board recovers nearly half of loans

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to their bad credit record.

The recovered loan has been going towards further disbursement to eligible needy students such as the 39 medicine students last year.

According to the Act establishing the board, the institution is meant to be a self-sustaining revolving fund where students who benefited repay after graduation.

In a related development, Chisoni said the board has earmarked 188 needy students from Lilongwe University of

Agriculture and Natural Resources (Loanar) for support with tuition fees. He said the prospective beneficiaries will undergo a screening process.

Government, through the board embarked on an exercise to collect the loans as public funds to finance the upcoming loans for needy students in higher education institutions.

The board was established in 2015 to recover loans borrowed from 1985 and those which are deemed mature apart from giving out loans annually and providing grants. ■

PHOTOGRAPH BY NICHOLAS MUKHEMBA
BRIEF