

QUALIFYING CONDITIONS TO SERVE AS SURETY:

Persons serving as surety must fulfill the following conditions:

- 1) Be above 21 years of age and preferably under 65 years of age;
- 2) Not a bankrupt;
- 3) Nationality

Singapore / Singapore PR Students

- 1st surety – Singapore Citizen
- 2nd surety – Singapore Citizen or Singapore PR

Foreign Students

- 1st surety – Singapore Citizen or Singapore PR
- 2nd surety – Singapore Citizen or Singapore PR

Both sureties can be non-citizens if they are parents of the student.

- 4) Proof of financial means to pay the liquidated damages (LD) should the LD become due i.e. either

Either

- i) Income statement (or IRAS income tax return) indicating that the surety is gainfully employed and drawing an income of at least S\$1,000 per month
The surety must not be a party to an existing scholarship, bursary, and he/she must not be bonded for an existing scholarship, bursary or study loan agreement.

Or

- ii) Banker's guarantee

Or

- iii) Title Deed

The asset(s) must be owned by the surety (not mortgaged) and the value of the asset(s) must not be less than the quantum of liquidated damages. Please see list of eligible assets below:

- Fully-paid 4 room (or larger) HDB flats, or
- Condominium or landed property (not necessary to be fully-paid), or
- Foreign property (only for foreign students), or
- Others e.g. clinic (on case by case basis)

Or

- iv) Bank Account Statement

Each surety's bank account should have deposits amounting to at least half the quantum of liquidated damages. If sureties intend to use the statement from a joint bank account as proof of financial means, the total value of the deposit must be at least \$1 million.

Or

- v) CDP Statement of Shares/ Stocks

The value of shares / stocks owned by each surety's shares / stocks should amount to at least half the quantum of liquidated damages.

Notes

- 1) The financial status of each surety will be assessed independently.
- 2) Sureties' CPF savings & insurance policies are NOT accepted.
- 3) Parents who are currently serving as sureties for their other child for similar Agreements with the Government of Singapore, will be permitted to serve as surety for this current Agreement using different financial means. For e.g., if the parent uses his monthly income statement as a financial means to qualify as a surety for his 1st child, he has to provide a different financial means such as Title Deed, to qualify as surety for his 2nd child. This provision applies to parents of students only.
- 4) The LD values are calculated based on the annual tuition grant disbursed by the Ministry of Education (MOE) over the course of student/doctor's study with 10% annual compound interests added. For students enrolling this year, the LD is estimated at about \$500,000 for medical students and \$400,000 for dental students.

Banker's Guarantee in lieu of Sureties

Students, who face difficulties finding sureties, may consider using a Banker's Guarantee in lieu of the two sureties. You can arrange for a Banker's Guarantee with any of the following banks in Singapore to cover the full quantum (S\$) of liquidated damages:

- a) United Overseas Bank
- b) DBS Bank
- c) Overseas Chinese Banking Corp
- d) Standard Chartered Bank

SUPPORTING DOCUMENTS TO BE PRODUCED BY SURETIES

- 1) Identity Card or Passport - original and photocopy;
- 2) Proof of financial means - original and photocopy;
 - Either
 - (i) **Banker's Guarantee**
 - Or
 - (ii) **Income Statement**
 - Latest pay statement, or
 - Latest IRAS income tax return
 - Or
 - (iii) **Title Deed** (or for HDB flat-owners, please print and bring along a copy of the valuation of a resale unit that is similar in size and location to your unit available from <http://services2.hdb.gov.sg/webapp/BB33RTIS/>)
 - Or
 - (iv) **Bank account statement**
 - Fixed deposit accounts, or
 - Savings accounts (only for foreign students)
 - Or
 - v) **Statement of Shares / Stocks**
 - Latest CDP statement