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TUESDAY TIMES



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# POTENTIAL CONCERNS SURROUNDING A LOAN DISBURSEMENT



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It is conceivable and natural that as a parent you would like to see your child have a minimum academic paper, particularly in view that this would be helpful to give your child a good head start. There will come a time when your child is ready for higher education. However, you have a concern – you may not have the financial resources to put your children through the 3 or 4 years in University, local or overseas.

This could be due to one of several or a combination of situations. Lets walk through some of those scenarios and ask the following questions: Are you in any of these situations?

- The business fails and your main financial resources are depleted
- Earnings are barely sufficient to meet expenses and savings are minimal
- Absence of any savings plan to fund the tertiary costs
- Experienced a serious investment loss prior to that important University registration

## The bottom line

There may be various scenarios which may differ among individuals, the bottom line is, you may be strapped for choice and may need to take a loan. When this happens and the loan is disbursed, the repayment to the bank begins as early as the following month. I would like to add at this junction, everyone is in a win-win situation, as long as the sun is out shining and everything is smooth sailing. However, what if the blue skies turned grey and you run into a storm? Will it be a mutually benefitting situation for everyone then? What can affect the repayment and what happens when you cannot repay the loan?

## The need to ask those hard questions

Before expanding on this further, here's a key point to note – it would be of essence to consider having a safety net/s, particularly in view of unforeseen possibilities in the future. For example, what will happen to me if I am –

- i. Retrenched and unable to return the loan
- ii. Met with an accident and become totally & permanently disabled
- iii. Had a reversal in health condition due to a prolonged illness

These are very daunting situations and naturally disconcerting to talk about. However, the hard truth is, there is a need to have a conversation and this cannot be sufficiently emphasized.

## Two issues to contemplate

Besides the situations cited above, there are other criticalities that may emerge and render the individual unable to continue the repayment. Yet, the money has to come from somewhere, besides providing for daily expenses as well. It is true, your guarantor/s will need to step in inevitably, however, is this helpful, to place them in such a predicament? I'm sure, none would be comfortable with this as an outcome and for certain, this isn't something anyone would wish to land in. May I venture to add in this context, in life there are two things an individual may need to consider:

- No one has a body that is 100% without problems. It is a matter of small or big.
- Money is the only thing you must have to pay for anything.

## Before this choice sets in

Should the proposition of a “no-choice” loan disbursement present itself and is acted on, it is possible an individual may become retrospective in view of the non-action that has rolled on over the years. Regrettably, in some situations, without any recourse. The ramifications can be severe.

Before such a choice sets in, there is a beaten path forward, where many have travelled and found safety, where success was planned than left to chance, or circumstance. Such a discussion with a financial practitioner on those issues can be a pivoting moment and it can't come too soon. For there's much matters to look into, soon as you start working, such as income replacement, lasting power of attorney, advanced medical directive, wills and accumulation.

## In conclusion

Then, take a considered decision in setting up safety nets in relation to them. These lifebuoys are necessary and vital for a sound financial standing throughout life's journey. Wherever the chips may fall, regardless of tide or season, they'll provide certainty and continuity of your financial interests, along that path and trajectory.

Source : [Here](#)

## ABOUT THE AUTHOR

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