

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Sixteenth Congress
1st Regular Session

HOUSE BILL NO. 3215



Introduced by **HON. ROGELIO NEIL P. ROQUE**

EXPLANATORY NOTE

This bill seeks to establish a Higher Education Accessibility Loan Program, a national, comprehensive and integrated loan assistance program for students to give them access to higher education.

Section 1, Article XIV of the 1987 Philippine Constitution provides that:

"The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all."

Education is not only a major factor in the nation's economic and social growth but also an important tool for human development. However, despite government efforts to make it accessible to all citizens through scholarships, grants-in-aid and special loan programs, quality higher education remains inaccessible to many, especially to the poor or underprivileged. With the high cost of tuition and other school fees and the other expenses needed to enroll in higher education institutions, many high school graduates are unable to pursue higher education for lack of financial resources.

Several student loan programs have been implemented by the government to provide loan assistance to students who want to pursue higher education, however, due to various factors such as limited scope and coverage, limited funds, dubious loan processes, and inefficient loan collection schemes, these programs turn out to be insufficient to afford all eligible citizens full access to higher education.

This measure aims to make higher education more accessible by providing a national loan assistance program to support all qualified applicants in pursuing higher education. This bill also establishes a technology aided tracking system

between and among government agencies to ensure an efficient administration of the program, create a competent monitoring and tracking scheme, and facilitate automatic loan payment collection, in order to provide a more comprehensive and effective educational loan program for higher education.

In view of the foregoing, approval of this bill is earnestly sought.


ROGELIO NEIL P. ROQUE

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Sixteenth Congress
1st Regular Session

HOUSE BILL NO. 3215

Introduced by **HON. ROGELIO NEIL P. ROQUE**

AN ACT
ESTABLISHING A HIGHER EDUCATION ACCESSIBILITY LOAN
PROGRAM AND APPROPRIATING FUNDS THEREFOR

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. **Short Title.** – This Act shall be known as the
“*Higher Education Accessibility Act.*”

SEC. 2. **Statement of Policy.** – It is the policy of the State to protect and promote the rights of all citizen to quality education and to take appropriate action to ensure that it is accessible to all especially to the poor and underprivileged. Towards this end, the State shall establish a comprehensive and integrated educational loan assistance program for all qualified student applicants to enable them to finish a higher education course or study.

SEC. 3. **Higher Education Accessibility Loan Program.** – There is hereby established a national and comprehensive higher education loan assistance program under the Commission on Higher Education to support qualified students in pursuing and obtaining higher education which

shall be known as the Higher Education Accessibility Loan Program (HEALP).

For purposes of this Act, "*higher education*" means studies beyond secondary level such as vocational or post-secondary technical education, college course or bachelor's degree course and post graduate studies.

SEC. 4. ***Executive Committee.*** – To carry out the policy declared under this Act, there is hereby created an Executive Committee, hereinafter referred to as the ExeCom, which shall formulate policies, guidelines, rules and regulations necessary for the over all operation, management and supervision of the HEALP. The Executive Committee shall be composed of the following:

- a) The Chairperson of the Commission on Higher Education, as chairperson;
- b) Director General of the Technical Education and Skills Development Authority (TESDA) as vice-chairperson;
- c) Three (3) representatives from national students' organizations or associations;
- d) Two (2) representatives from state universities and colleges; and
- e) Two (2) representatives from private universities and colleges, as members.

Cabinet-ranked *ex officio* members of the ExeCom shall designate their permanent representatives to the ExeCom in case they fail to attend its meetings. The designated permanent representative of any of

the cabinet-ranked members of the ExeCom must hold a position not lower than a bureau director.

The representatives of the students' organizations, state and private universities and colleges shall be chosen by the President from among the nominees submitted by their organizations, colleges or universities to serve in the ExeCom for a term of three (3) years.

The chairperson and members of the ExeCom shall be entitled to a reasonable *per diem* for each meeting actually attended at such amount as may be fixed by the ExeCom in accordance with existing laws, rules and regulations.

The ExeCom shall, from time to time, call upon the participation of government agencies to attend its meetings to assist in clarifying issues and finding resolution to problems that concern their respective offices pertinent to the implementation of this Act.

SEC. 5. ***Powers and Functions.*** – The ExeCom shall exercise the following powers and functions:

- a) Effectively implement the HEALP;
- b) Develop fund generating programs for educational loans to finance the loan assistance program;
- c) Establish the policy, scheme and system for the loan program;
- d) Create a technology aided tracking system for the efficient collection of loan payments, ensure the collection and recovery of all indebtedness, liabilities and accountabilities, and institute all necessary legal actions to protect the Higher Education Loan Fund (HELF) as

established under Section 18 of this Act;

e) Institute a system with the Government Service Insurance System (GSIS) and Social Security System (SSS) that will automatically withhold the payment for the educational loan by borrowers who have already gained employment and automatically remit the amount to the HELF account;

f) Set up a system for the screening of loan applicants;

g) Establish offices, formulate organizational and administrative structure, and staffing pattern for its effective operation and administration;

h) Hire and appoint personnel and fix appropriate salaries;

i) Solicit and receive donations, legacies, grants and other forms of contributions or donations which shall accrue to the HELF, whether in cash or in property from various sources, domestic or foreign, and in accordance with the existing laws and regulations;

j) Invest or participate in any equity firm organized under existing laws of the Philippines;

k) Formulate policies for the effective implementation of this Act;
and

l) Promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out the objectives of this Act.

SEC. 6. **Meetings.** – The ExeCom shall hold regular monthly meetings or as often as necessary to carry out the purposes of this Act. The chairperson of the ExeCom shall be the presiding officer. The minutes

of all meetings shall be recorded and attested by a majority of all the ExeCom members present during the meeting.

SEC. 7. **Quorum.** – A majority of the members of the ExeCom shall constitute a quorum for the conduct of its business.

SEC. 8. **Secretariat.** – To carry out the administrative functions and operations of the HEALP, the ExeCom shall create a Secretariat which shall be headed by the Executive Director.

The Executive Director shall have at least seven (7) years of experience in school administration and a holder of at least a master's degree conferred by a reputable educational institution.

The Secretariat shall exercise the following functions:

- a) Execute and implement the policies, rules and regulations, established and adopted by the ExeCom;
- b) Administer and conduct the day to day operation of the HEALP office;
- c) Process loan applications for the approval of the ExeCom; and
- d) Perform such other powers and functions as may be determined by the ExeCom.

The ExeCom shall provide for the qualifications and compensation of the employees of the Secretariat in accordance with existing civil service law, and rules and regulations.

SEC. 9. **HEALP Offices.** – The ExeCom may establish HEALP offices in all regions and other areas of the Philippines as it may deem necessary to carry out its powers and functions.

SEC. 10. **HEALP System Technology.** – The ExeCom shall, in consultation and coordination with the Department of Interior and Local Government (DILG), the Department of Labor and Employment (DOLE), the National Bureau of Investigation (NBI), the Government Service Insurance System (GSIS), the Social Security System (SSS) and the Philippine Overseas Employment Administration (POEA), establish a technology aided system and linkages that will facilitate the efficient and effective administration of HEALP, the automatic collection of the loan payments of borrowers who are GSIS or SSS members, and the creation of a national monitoring and tracking system of borrowers to enforce collection through the cooperation of various government agencies.

SEC. 11. **Information Campaign.** – The ExeCom shall conduct an information dissemination campaign for the benefit of the public, utilizing to the maximum extent practicable, electronically accessible formats and means, such as the World Wide Web. The information campaign shall provide basic information to the public about the HEALP particularly on loan qualifications, processes and payments.

SEC. 12. **Applicant Qualifications.** – Any Filipino citizen who graduates from a duly recognized high school and desires to continue a vocational or college education, or any college graduate who wishes to pursue post graduate studies, may apply for an educational loan under the HEALP: *Provided*, That the applicant passes the entrance examination and requirements of the school, college or university where the applicant intends to enroll.

SEC. 13. ***Loanable Amount.*** – The maximum loan amount that can be availed of by the borrower shall be determined by the ExeCom. It shall cover tuition fees, school fees and educational expenses for books, subsistence, board and lodging. The loan amount covering tuition fees, other school fees, and educational expenses for books shall be released on semestral basis while the amount intended for educational expenses for subsistence and board and lodging shall be released monthly.

SEC. 14. ***Direct Payment.*** – The proceeds of the loan intended for tuition and other school fees shall be paid directly to the school, college or universities in the form of checks or guarantees.

SEC. 15. ***Loan Payment.*** – The loan obtained under this Act shall be paid by the borrower after finishing the entire course or profession for which the proceeds of the loan was expended after gaining an employment or starting a profitable business: *Provided*, That when a borrower fails to finish the course but secures gainful employment or operates a business, the borrower must still pay the loan upon employment or operating a business. The borrower may voluntarily pay the loan even before gaining employment.

The borrower shall execute promissory notes, guarantees and other loan instruments in securing the loan to ensure payment.

SEC. 16. ***Interests.*** – The loan amount shall bear an interest of six percent (6%) per annum except for the loan of the borrower whose family income is below the poverty threshold as certified by the DWSD or the local government unit where the borrower resides. The loan amount of the

borrower whose annual family income is below the poverty threshold shall bear an interest of two percent (2%) per annum.

SEC. 17. ***Loan Collection Scheme.*** – To ensure collection, the payment for the amortization of the loan secured under the HEALP shall be automatically deducted by the GSIS and SSS from the salary of the borrower upon employment. The GSIS and SSS shall remit the payments to the Higher Education Loan Fund. The ExeCom shall determine the amount to be withheld by the GSIS and SSS from the members who are loan borrowers. The borrower may also opt to pay directly to any branch of a government bank deputized to receive loan payments.

For purposes of collection, the ExeCom shall establish a technology aided tracking system and linkages with the NBI, DILG, and POEA to indicate in the NBI clearance, business permit and overseas employment certificate that a person has availed of the benefits of HEALP and that the borrower has unpaid balance on the loan secured under the HEALP. The NBI clearance, business permit and overseas employment certificate of the borrower shall not be issued or renewed unless the borrower presents a certification or clearance from the HEALP that the borrower is not delinquent in paying the loan, if already required to pay, or has already paid the loan in full.

SEC. 18. ***Higher Education Loan Fund.*** – A special fund, herein referred to as the Higher Education Loan Fund, is hereby created to be held in trust by the ExeCom and shall be used to finance the educational loan grants to students under the HEALP.

SEC. 19. ***Appropriations.*** – There is hereby appropriated the sum of Two Billion Pesos (P2,000,000,000.00) out of the funds in the National Treasury not otherwise appropriated to be used to finance the HEALP. Five Million Pesos (P5,000,000.00) of said appropriation shall be used initially for the operating expenses of the program, the rest shall form part of the Higher Education Loan Fund.

Thereafter the amount necessary for the continuous implementation of the program shall be included in the budget of the CHED under the annual General Appropriations Act.

SEC. 20. ***Non-Impairment Clause.*** – Nothing in this Act shall be construed to diminish, impair, or repeal the rights granted to students under existing laws.

SEC. 21. ***Implementing Rules and Regulations.*** – Within ninety (90) days from the effectivity of this Act, the CHED shall, in consultation and coordination with the Secretary of Education, Secretary of Labor, Secretary of the Interior and Local Government, Chairpersons of the Board of GSIS and SSS, Director of the NBI, Administrator of the POEA and students' organizations, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 22. ***Separability Clause.*** – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 23. **Repealing Clause.** – All laws, executive orders, presidential decrees, rules and regulation or parts thereof inconsistent with any provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 24. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,