

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
SIXTEENTH CONGRESS
First Regular Session
House Bill No. **3260**



Introduced by **Hon. Sol Aragon**

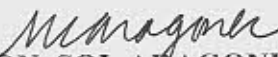
EXPLANATORY NOTE

The Constitution, Article 2, Section 13, provides:

The State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, spiritual, intellectual, and social well-being. It shall inculcate in the youth patriotism and nationalism, and encourage their involvement in public and civic affairs.

The Commission on Higher Education (CHED) recently approved the increases for colleges and universities. The decision permitting higher educational institutions (HEIs) to raise school fees came following the 413th regular CHED meeting wherein commissioners approved the figures verified and presented by the Office of Student Services. CHED Chairperson Patricia Licuanan was quoted as saying that the average tuition hike per unit for school year 2013-2014 is P37.45 or 8.5 percent nationwide, which is the lowest percentage increase in the past 10 years. Out of the 1,068 private elementary and high schools that applied for a tuition increase this year, the Department of Education (DepEd) reported that 903 were approved, 92 were disapproved and 70 are pending approval, with the increases averaging five to 10 percent.

It is amidst this backdrop of the continuously rising cost of education that the need for programs to assist students in financing their education deserves a stronger backing from the government. There is therefore a need to increase the support for the student financial assistance program of the CHED to help out college students pay for their tuition fees. Under the Study Now, Pay Later Plan, deserving students are eligible to apply for a student loan that they can repay once they are gainfully employed after graduation. This bill strengthens that program by mandating a minimum annual increase in its coverage and by making it easier for the student debtor to repay his or her student loan.


HON. SOL ARAGONES
Representative, 3rd District of Laguna

House Bill No. **3260**

Introduced by **Hon. Sol Aragon**

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

SECTION 1. Section 10 of Republic Act No. 8545, also known as the '*Expanded Government Assistance to Students and Teachers in Private Education Act*' is hereby amended as follows:

Sec. 10. *Education Loan Fund.* - (a) 'Study Now, Pay Later Plan.' -

There is hereby created a special fund to be known as the Students' Loan Fund to be administered by the CHED and the TESDA or upon delegation by the CHED by the Student Loan Fund Authority created under Republic Act No. 6014 which is hereby reinstituted pursuant to the terms of the same Republic Act which shall be used to finance educational loans to cover matriculation and other school fees and educational expenses for book subsistence, and board and lodging.

"(b) Amounts covering payments for tuition and other school fees shall be paid directly to the school concerned.

"(c) Any loan granted under this Sec. shall be paid by the student-debtor after he has finished the course or profession for which the proceeds of the loan was expended, but only after a period of [two (2)] THREE (3) years from the time he has acquired an employment: *Provided, however, That*

1 interest at the rate of not more than [six] FIVE percent [(6%)] 5% per annum
2 shall accrue on the balance thereof. THE STUDENT-DEBTOR IS OBLIGED
3 TO PAY CHED THE AMOUNT OF LOAN AVAILED OF ONLY THREE
4 (3) YEARS AFTER ACQUIRING AN EMPLOYMENT. IF HE/SHE HAS
5 NOT ACQUIRED GAINFUL EMPLOYMENT, THEN THE THREE (3)
6 YEAR PERIOD WILL NOT START TO RUN.

7 (D) THE STANDARDS FOR THE GRANT OF THE LOAN SHALL
8 INCLUDE, AMONG OTHERS, THE INCOME BRACKET OF THE
9 FAMILY OF THE STUDENT, THE INCLUSION OF THE COURSE IN
10 THE CHED PRIORITY COURSE LIST, AS WELL AS THE GRADE
11 POINT AVERAGE OF THE STUDENT, WHICH SHOULD AT LEAST BE
12 EQUIVALENT TO A GRADE OF EIGHTY (80%) IN A SCALE OF 100.

13 (E) THE CHED SHALL INCREASE THE NUMBER OF STUDENT-
14 DEBTORS BY AT LEAST FIVE (5%) EVERY YEAR.

15 (F) THE STUDENT DEBTOR MAY PAY DIRECTLY TO ANY
16 CHED REGIONAL OFFICE OR TO THE CHED-CENTRAL OFFICE
17 THROUGH THE OFFICE OF STUDENT SERVICES.

18 [(d)] (G) *Social Security Fund.* - The Social Security System shall
19 make available low interest educational loans to its members and to private
20 educational institutions for school buildings and/or improvement of their
21 plants and facilities.
22

23 SECTION 2. *Separability Clause.* - If any provision or part hereof is held invalid or
24 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
25 valid and subsisting.
26

27 SECTION 3. *Repealing Clause.* - Any law, presidential decree or issuance, executive
28 order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent
29 with, the provisions of this Act is hereby repealed, modified, or amended accordingly.
30

- 1 SECTION 4. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
- 2 publication in at least two (2) newspapers of general circulation.