

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
Seventeenth Congress
First Regular Session



H.B. No. 4825

Introduced by Congressman Dakila Carlo E. Cua

AN ACT PROMOTING QUALITY HIGHER EDUCATION AND CREATING A NATIONAL
HIGHER EDUCATION LOAN PROGRAM, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

Our very own Constitution recognizes education as one of the vital instruments for national development, being the primordial factor for the growth of human potential. In fact, it is the responsibility and obligation of the State to protect and promote the right of all citizens to quality education at all levels, and to make such education accessible to all.

Thus far, our government has prioritized and invested in primary and secondary education, thereby overlooking the Filipinos' potential to advance further through higher education.

In this regard, this bill seeks to promote and make higher quality education accessible to all Filipinos through a low-interest-long-term deferred payment mode of higher education loan program.

This higher education loan program will not only level the playing field by providing all Filipinos who are financially challenged and academically abled equal opportunity, but also serve as the State's investment into stimulating the economic, social and cultural advancement of the nation.


DAKILA CARLO ENRIQUEZ CUA

SEVENTEETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
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*Be it enacted by the Senate and the House of Representatives of the
Philippines in Congress Assembled:*

SECTION 1. *Short Title.* – This Act shall be known as the “*Higher Education Loan
Program [“HELP”] Act of 2017.*”

SECTION 2. *Declaration of Policy.* – It is declared that the State shall promote and
make quality higher education accessible to all Filipino citizens. The State hereby
recognizes the complementary roles of public and private higher educational
institutions in the educational system and the invaluable contribution that the
private colleges and universities have made and will make to education. For these
intents, the State shall:

1. Provide adequate funding and such other mechanisms to increase the participation rate among all socioeconomic classes in higher education;
2. Provide all Filipinos with equal opportunity to quality higher education in both the private and public educational institutions;
3. Give priority to students who are financially challenged and academically able;

4. Ensure the optimized utilization of government resources in education;
5. Recognize the complementary roles of public and private institutions in the higher educational system.

Specifically, the delivery of quality and accessible higher education shall aim to:

1. Stimulate the economic, social, and cultural advancement of the society;
2. Facilitate access to quality higher education through low-interest-long-term higher education loan program;
3. Pursue public-private complementary by encouraging diversity and increasing competition among higher educational institutions within a level playing field; and
4. Align with the long-term and collective aspirations of Filipinos established by the NEDA under *Ambisyon 2040*.

SECTION 3. *Higher Education Loan Program*— There shall be a higher education loan program [“HELP”] available to all students in participating accredited State Universities or Colleges [“SUC”] and Private Higher Educational Institutions [“PHEI”].

SECTION 4. *HELP Fund* – A Higher Educational Loan Program Fund, hereinafter referred to as “Help Fund” or the “Fund”, is hereby established. The Help Fund shall be solely and exclusively used for implementing the HELP under the provisions of this Act.

SECTION 5. *HELP Voucher System* – There shall be a higher education loan voucher system [HLVS] comprising Seventy Percent [70%] of the HELP Fund. The HLVS shall be available to students in both public and private higher education institutions under the HELP program. The HLVS shall cover the full cost of education payable to the participating SUCs and PHEIs.

SECTION 6. *HELP Cash Loan* – There shall be a higher education cash loan [the “Cash Loan”] available for all students in both public and private higher education institutions under the HELP program. Provided, that all students availing of the Cash Loan shall submit to the Board an undertaking that all proceeds of the Cash

Loan availed of shall be used directly, solely and exclusively for educational and other related expenses.

SECTION 7. *Implementing Agency* – The UNIFAST Board under Republic Act 10687 [the “Board”] shall be the lead agency tasked in implementing the provisions of this Act. The Board shall identify the priority higher educational programs/courses in each region, develop criteria and conditions for the grant of HELP loans, and ensure equal opportunity and access to participating accredited higher educational institutions.

SECTION 8. *Qualifications of Applicants* – The Board shall promulgate and periodically review the qualification criteria of applicants availing HELP. An applicant must meet the following minimum qualifications:

1. Filipino citizen;
2. High school graduate and has completed the K to 12 program, or is undergoing or has completed a bachelor’s degree;
3. Admitted to any participating accredited SUC or PHEI;
4. In case of Technical or Vocational Courses, applicant must have already passed TESDA screening/assessment procedure, trade test, or skill competency evaluation;
5. Declaration whether the applicant is already a beneficiary of any other student financial assistance and/or loan program granted by the government or any private individual, corporation, foundation and/or association;
6. Undertaking that the applicant shall complete his higher education course/vocation within five [5] years from availment of the HELP.

SECTION 9. *Disqualification and Sanctions* – The right of any student to avail HELP under this Act shall not apply if the student fails to comply with the requirements for good academic standing and such other conditions that may be formulated and imposed by the Board.

The Board shall not unduly deprive eligible applicants of higher educational loans. Provided, that said students may be directed by the Board to enrol in priority courses identified by the Board.

The Board may impose reasonable sanctions to any student who has been found to have violated any of the provisions of his/her contract, or who have been found guilty of committing fraud or misrepresentation in availing HELP. Provided, that the sanctions imposable by the Board under this Act shall not prevent the Government from pursuing any legal action to protect the interest of the State.

SECTION 10. *Scope and Coverage of HELP* – HELP shall be available in all higher education, including but not limited to vocational, undergraduate, graduate, and post graduate studies. The Board shall identify and accredit the priority programs and/or courses covered by HELP.

SECTION 11. *Availment and Payment of HELP* – All higher educational loans granted under this Act shall be available for five years from its grant [“Availment Period”] , and shall be paid within ten [10] years [“Payment Period”] counted from the expiration of the Availment Period.

SECTION 12. *Financial Interest of HELP* – A simple interest in the rate of One Percent [1%] per annum computed based on the remaining unpaid principal shall be imposed on all higher educational loans granted under this Act. Provided, that there shall be no interest that will accrue during the first two years of the Payment Period. Provided further, that legal interests shall accrue on all unpaid amount upon expiration of the Payment Period [“Delinquent Loans”].

SECTION 13. *Payment of Delinquent Loans* – The Board, in coordination with the Bureau of Internal Revenue [“BIR”], Government Service Insurance System [“GSIS”] and Social Security System [“SSS”], shall adopt an efficient automatic system of salary deduction as means of collecting delinquent HELP loans. Provided, that this shall be implemented in accordance with existing laws on salary deduction and payment of debt.

SECTION 14. *Appropriations* – The initial amount of Twenty Five Billion Pesos [P25,000,000,000.00] is hereby appropriated from the Presidential Social fund to implement the provision of this Act. Thereafter, such amount necessary to effectively carry out the provisions of this Act shall be included in the annual General Appropriations Act.

SECTION 15. *Other Sources of Funds* – Other sources of funds such as grants, donations, collections, and other forms of assistance from local and foreign donors or other public or private entities, and other private domestic and international sources may be tapped and facilitated by the Board to support the program, subject to the regular auditing guidelines and procedures. Provided, that in case of donations from foreign sources, acceptance thereof shall be subject to existing government rules and regulations.

SECTION 16. *Financial Management and Accountability* – All public funds allocated under this Act shall be managed according to standard government accounting and auditing rules and regulations to ensure transparency and accountability in pursuit of the intents for which the fund has been provided.

SECTION 17. *Implementing Rules and Regulations* – Within Thirty [30] days from the effectivity of this Act, the Board, in consultation with relevant stakeholders in higher education, shall promulgate the Implementing Rules and Regulations necessary for the proper of this Act.

SECTION 18. *Separability Clause* – If, for any reason, any provision of this Act is declared unconstitutional or invalid, parts or provisions of this Act which are not affected shall be in full force and effect.

SECTION 19. *Non-impairment Clause* – Nothing in this Act shall be construed as to diminish, impair, or repeal rights recognized, granted, or made available to disadvantaged, marginalized, or specific sectors under existing laws.

SECTION 20. *Repealing Clause* – All laws, executive orders, presidential decrees, implementing rules and regulations inconsistent with this Act are hereby repealed or modified accordingly, including the provisions of Republic Acts No. 8545 and 10687 on Tertiary Education.

SECTION 21. *Effectivity* – This Act shall take effect fifteen [15] days after its publication in the Official Gazette or in two [2] newspapers of general circulation in the Philippines.

Approved.