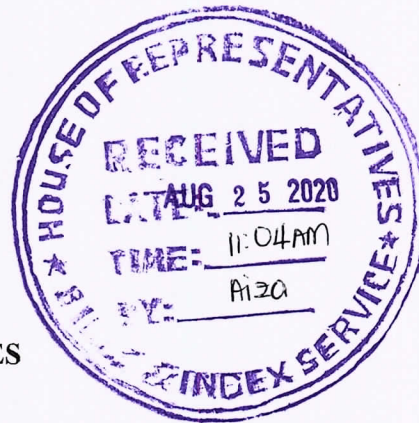




Republic of the Philippines
HOUSE OF REPRESENTATIVES

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7486

Introduced by HON. JESUS "BONG" C. SUNTAY

EXPLANATORY NOTE

This bill seeks to provide a more inclusive and responsive loan program for students to make tertiary education more accessible.

Section 1, Article XIV of the 1987 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 education accessible to all citizens through scholarships, grant-in-aid, and special loan programs, quality education remains inaccessible to many, especially to the poor or underprivileged. With the high cost of tuition, school fees, and other education-related expenses necessary to enroll in higher education institutions, many high school graduates are unable to pursue higher education for lack of financial resources.

Republic Act No. 10931, otherwise known as the "*Universal Access to Quality Tertiary Education Act*," provides a student loan program to those 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, the program turns out to be inadequate to enable eligible citizens full access to higher education.


ATTY. JESUS "BONG" C. SUNTAY

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HOUSE BILL NO. 7486

Introduced by HON. JESUS “BONG” C. SUNTAY

AN ACT
PROVIDING FOR A MORE INCLUSIVE AND RESPONSIVE STUDENT LOAN
PROGRAM FOR TERTIARY EDUCATION, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 10931, OTHERWISE KNOWN AS THE “UNIVERSAL ACCESS TO QUALITY
TERTIARY EDUCATION ACT”

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

SECTION 1. Section 8 of Republic Act No. 10931 is hereby amended to read as follows:

“SEC. 8. *Student Loan Program for Tertiary Education.* – To support further the cost of tertiary education or any part or portion thereof, a student loan program for tertiary education is hereby likewise established for all Filipino students who shall enroll in SUC, LUC, private HEI and TVET program in all TVIs registered under the TESDA. The Loan program shall be administered by the UniFAST Board and the amount necessary to fund the program shall be included in the budgets of the CHED and the TESDA: *Provided*, That the UniFAST ~~[may offer short term or long-term loans]~~ **SHALL OFFER LOANS THAT ARE RESPONSIVE TO THE NEEDS OF STUDENTS:** *Provided, further*, That those who availed of the loan during their undergraduate degree may still avail of another cycle of student loan for their pursuit of graduate studies, including medicine and law after they have fully paid the previously availed loan: *Provided, furthermore*, That those who did not avail of the loan program during their undergraduate studies may avail of it to pursue graduate studies including medicine and law: *Provided, finally*, That those who did not avail of the loan program during their undergraduate studies may avail of the loan program for their review expenses for licensure examinations administered by the Professional Regulation Commission (PRC).

“xxx xxx xxx”

1 The UniFAST Board, in consultation with relevant agencies, shall
2 formulate loan payment guidelines for loan beneficiaries whose earnings are not
3 covered by the GSIS or the SSS programs, including those of overseas Filipino
4 workers (OFWs), emigrants, and self-employed persons and professionals (SEPs).

5 **“THE UNIFAST BOARD MAY ENTER INTO AN AGREEMENT**
6 **WITH ACCREDITED GOVERNMENT FINANCIAL INSTITUTION, BANK,**
7 **OR OTHER GOVERNMENT AGENCY, TO FACILITATE THE**
8 **ADMINISTRATION AND COLLECTION OF THE STUDENT LOAN**
9 **PROGRAM.**

10 **“THE CHED SHALL CONDUCT AN INFORMATION**
11 **CAMPAIGN, THROUGH ELECTRONICALLY ACCESSIBLE FORMAT**
12 **AND MEANS ABOUT THE DIFFERENT LOANS AVAILABLE UNDER**
13 **THE STUDENT LOAN PROGRAM, INCLUDING QUALIFICATION**
14 **REQUIREMENTS, PROCESSES, AND REPAYMENT SCHEMES.”**

15
16 **SEC. 2.** New sections to be determined as Sections 8-A, 8-B, and 8-C are hereby inserted
17 after Section 8 of the same Act to read as follows:

18 **“SEC. 8-A. STUDENT DIRECT SUBSIDIZED LOAN. – THIS LOAN IS AVAILABLE**
19 **TO ANY STUDENT WHO GRADUATES FROM A DULY RECOGNIZED HIGH**
20 **SCHOOL AND DESIRES TO CONTINUE A VOCATIONAL OR COLLEGE**
21 **EDUCATION BUT NEEDS FINANCIAL ASSISTANCE TO COVER THE COST OF**
22 **HIGHER EDUCATION. IT HAS A LONGER REPAYMENT PERIOD AND MINIMAL**
23 **INTEREST PAYMENT.**

24 **A) QUALIFICATIONS – THE BORROWER PASSES THE ENTRANCE**
25 **EXAMINATION AND IS ADMITTED IN THE SCHOOL, COLLEGE,**
26 **OR UNIVERSITY WHERE THE BORROWER INTENDS TO**
27 **ENROLL.**

28 **“A BORROWER WHOSE ANNUAL FAMILY INCOME IS**
29 **BELOW THE POVERTY THRESHOLD AS CERTIFIED BY THE**
30 **DSWD OR THE LGU WHERE THE BORROWER RESIDES, SHALL**
31 **BE GIVEN PRIORITY IN THE GRANT OF STUDENT DIRECT**
32 **SUBSIDIZED LOAN.**

33 **B) MAXIMUM LOANABLE AMOUNT – THE MAXIMUM AMOUNT OF**
34 **THE DIRECT SUBSIDIZED LOAN THAT MAY BE AVAILABLE TO**
35 **THE BORROWER SHALL BE BASED ON THE COST OF THE**
36 **INTENDED COURSE OR STUDY PROGRAM AS DETERMINED BY**
37 **THE CHED, IN CONSULTATION WITH THE HEIs, IN CASE OF A**

COLLEGE COURSE, OR TESDA, IN CASE OF TVETs. IT SHALL COVER TUITION FEES, SCHOOL FEES AND EDUCATION-RELATED EXPENSES, INCLUDING BOARD AND LODGING, AND SUBSISTENCE. THE LOAN AMOUNT COVERING TUTION FEES, SCHOOL FEES, AND EDUCATION-RELATED EXPENSES SHALL BE RELEASE ON SEMESTRAL BASIS WHILE THE AMOUNT INTENDED FOR BOARD AND LODGING, AND SUBSISTENCE SHALL BE RELEASED MONTHLY.

C) *INTERESTS* – NO INTEREST PAYMENT SHALL BE IMPOSED DURING THE FIRST FIVE YEARS OF THE REPAYMENT PERIOD. THEREAFTER, THE LOAN SHALL BEAR AN INTEREST OF TWO PERCENT (2%) PER ANNUM.

D) *LOAN REPAYMENT* – THE LOAN BECOMES DUE ONE (1) YEAR AFTER THE BORROWER HAD FINISHED THE ENTIRE COURSE, OR LEFT THE SCHOOL FOR GAINFUL EMPLOYMENT, OR FAILED TO ENROLL WITH THE REQUIRED ACADEMIC LOAD OF TWELVE (12) UNITS.

“THE LOAN SHALL BE PAID OVER THE MAXIMUM PERIOD OF TWENTY (20) YEARS. THE BORROWER MAY OPT TO CHOOSE THE REPAYMENT PLAN INCLUDING THE PERIOD TO PAY THE LOAN: *PROVIDED*, THAT IS WITHIN THE PERIOD. THE INITIAL PAYMENT SHALL BE MADE ONE (1) YEAR AFTER EMPLOYMENT OF THE BORROWER.

“THE BORROWER MAY APPLY FOR THE DEFERMENT OR CANCELLATION OF THE LOAN AT ANY TIME SUBJECT TO THE APPROVAL OF THE CHED AND AFTER CONSIDERATION OF THE INCOME AND THE REPAYMENT THRESHOLD OF THE BORROWER.

“THE CHED SHALL PROVIDE A SPECIAL SCHEME OF SUBSIDIZED STUDENT LOAN PROGRAM FOR INDIGENOUS PEOPLE AND PERSONS WITH DISABILITIES WHO WANT TO PURSUE HIGHER EDUCATION.

“SEC 8-B. *STUDENT DIRECT UNSUBSIDIZED LOAN.* – THIS LOAN IS AVAILABLE TO HIGH SCHOOL GRADUATES, COLLEGE GRADUATES, OR PROFESSIONALS WHO WISH TO PURSUE HIGHER EDUCATION.

1 **“A) *QUALIFICATION* – THE BORROWER PASSES THE**
2 **ENTRANCE EXAMINATION AND IS ADMITTED IN THE SCHOOL,**
3 **COLLEGE, OR UNIVERSITY WHERE THE BORROWER INTENDS**
4 **TO ENROLL.**

5 **“B) *MAXIMUM LOANABLE AMOUNT* – THE SCHOOL,**
6 **UNIVERSITY, OR HEI WHERE THE BORROWER INTENDS TO**
7 **ENROLL SHALL DETERMINE THE MAXIMUM LOANABLE**
8 **AMOUNT BASED ON THE COST OF THE INTENDED COURSE OR**
9 **STUDY PROGRAM, SUBJECT TO THE APPROVAL OF THE CHED,**
10 **OR TESDA IN CASE OF TVET.**

11 **“C) *INTERESTS* – THE DIRECT UNSUBSIDIZED STUDENT**
12 **LOAN SHALL BEAR AN INTEREST DURING THE SCHOOLING**
13 **AND REPAYMENT PERIOD. THE INITIAL INTEREST OF THE**
14 **UNSUBSIDIZED LOAN SHALL BE THREE PERCENT (3%) PER**
15 **ANNUM THEREAFTER, THE CHED SHALL FIX THE ANNUAL**
16 **INTEREST RATE OF THE LOAN.**

17 **“IN CASE THE BORROWER FAILS TO PAY THE INTEREST**
18 **OF THE LOAN, IT IS ADDED TO THE PRINCIPAL AMOUNT OF THE**
19 **LOAN**

20 **“D) *LOAN REPAYMENT* – THE REPAYMENT PERIOD IS TEN**
21 **(10) YEARS BUT THE LOAN IS DUE AND DEMANDABLE SIX (6)**
22 **MONTHS AFTER GRADUATION OR AFTER LEAVING THE**
23 **SCHOOL UNIVERSITY, OR HIGHER EDUCATION INSTITUTION.**

24 **“SEC 8-C. *FAMILY EDUCATION LOAN*. – THIS LOAN IS AVAILABLE TO**
25 **PARENTS TO FINANCE THE EDUCATION OF THEIR CHILDREN. PARENTS ARE**
26 **RESPONSIBLE TO PAY THE LOAN AND ITS INTERESTS. THE CHED SHALL FIX**
27 **THE INTEREST RATE OF THE LOAN. REPAYMENT OF THE PRINCIPAL AND**
28 **INTEREST COMMENCE ON THE FIRST MONTH OF THE SEMESTER THAT THE**
29 **STUDENT IS ENROLLED. AVAILMENT OF THE LOAN IS SUBJECT TO THE**
30 **APPROVAL OF THE CHED AFTER CONSIDERING THE PARENTS SOURCES OF**
31 **INCOME.”**

32
33 **SEC. 3. *Implementing Rules and Regulation* – Within ninety (90) days from the**
34 **effectivity of this Act, the CHED shall, in consultation and coordination with the Secretary of**
35 **Education, Secretary of Labor, Secretary of the Interior and Local Government, chairpersons of the**
36 **GSIS and SSS, and students; organizations, promulgate the necessary rules and regulations for the**
37 **effective implementation of this Act.**

1
2 **SEC. 4. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
3 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,