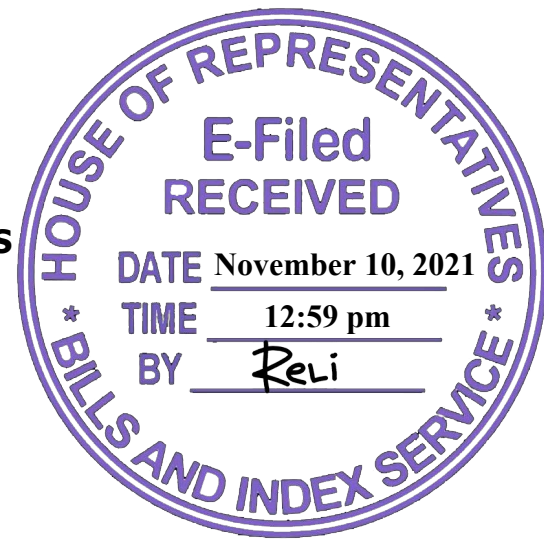


REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

House Bill No. 10467



Introduced by **MAGDALO Party-List Representative**
HON. MANUEL DG. CABOCHAN III

EXPLANATORY NOTE

Access to quality education remains a major challenge in the country. Many parents and students continue to struggle in covering costly matriculation and other school fees. According to the Philippine Statistics Authority (PSA), the educational dimension has the highest incidence of deprivation among families at 59.3 percent in 2016 and 49.4 percent in 2017.¹ This means that 6 out of 10 families and 5 out of 10 families were deprived of basic education, respectively. The PSA data also reveals that the common reasons for not attending schools were family matters, lack of personal interest and high cost of education or financial concerns.

These figures have worsened due to the dire effects of the COVID-19 pandemic. The pandemic caused financial problems for many families forcing some to transfer their children from private schools to public schools where tuition is free. In addition, the Department of Education noted that at least 2.3 million children have not enrolled for SY 2019-2020.²

While the government has promulgated policies to address these challenges, some remain inadequate and inaccessible for the public. Republic Act No. 8545 or the "Government Assistance to Students and Teachers in Private Education Act" of 1998

¹ Philippine Statistics Authority. Filipinos Families Are Most Deprived in Education. Data retrieved from <https://psa.gov.ph/sites/default/files/mpi%20press%20release.pdf>

² Rappler. More than 2 million 'dropouts' as schools adapt to pandemic. Information retrieved from <https://www.rappler.com/nation/gatchalian-says-millions-dropouts-schools-adapt-pandemic>. Dated September 16, 2020

provides for a SNPLP mechanism. Section 9 of the said law, however, is self-limiting, and only covers students enrolled in private academic institutions at the tertiary level.³ Moreover, the Government Service Insurance System (GSIS) in 2020 has also implemented a P20-billion SNPLP, but only applies for the college education of its members' kin. Further, the members are only entitled if they have rendered at least 15 years in government service.⁴

This proposed measure seeks to ensure that all Filipinos are given the opportunity to access quality education. It shall establish the Study Now, Pay Later Program (SNPLP) for students in both public and private educational institutions to ensure that their education is not impeded by financial constraints. In this light, the State must prioritize granting quality education to everyone to promote social mobility, inclusivity, and equality.

In view of the foregoing, the immediate passage of this measure is earnestly sought.



MANUEL DG. CABOCHAN III
Representative
Magdalo Para Sa Pilipino Party-List

³ Commission on Higher Education. Implementation of Study Now Pay Later of RA No. 8545. Information retrieved from <https://ched.gov.ph/wp-content/uploads/2017/10/Study-Now-Pay-Later-Plan-Program-SNPLP.pdf>

⁴ GSIS. GSIS opens PhP20B study-now, pay-later loan program for members' kin. Information retrieved from <https://www.gsis.gov.ph/gsis-opens-php20b-study-now-pay-later-loan-program-for-members-kins/>. Dated October 26, 2020

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EIGHTEENTH CONGRESS
Third Regular Session

House Bill No. 10467

Introduced by **MAGDALO Party-List Representative**
HON. MANUEL DG. CABOCHAN III

AN ACT
ESTABLISHING THE STUDY NOW, PAY LATER PROGRAM, APPROPRIATING
FUNDS THEREFOR AND FOR OTHER PURPOSES

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

1 SECTION 1. *Short Title.*— This Act shall be known as the “Study Now, Pay Later
2 Act”.

3
4 Sec. 2. *Declaration of Policy.*— It is the policy of the State to protect and promote
5 the right of all citizens to quality education at all levels and the complementary roles
6 of public and private educational institutions in the educational system. Pursuant to
7 this policy, the State shall ensure that all citizens of the Philippines are given access to
8 quality education, through the public or private educational system. In addition, the
9 State shall ensure that the education of all students is not unnecessarily suspended or
10 terminated due to lack of financial resources, by creating an accessible and affordable
11 loan program that will enable students to continue their education despite financial
12 difficulties.

13
14 Sec. 3. *Establishment of Study Now, Pay Later Program.*— There is hereby
15 created a Study Now, Pay Later Program (SNPL) under the supervision of the

1 Department of Education (DepED) for K-12 students, the Commission on Higher
2 Education (CHED) for tertiary education students, and the Technical Education and
3 Skills Development Authority (TESDA) for technical vocational students. The Program
4 shall be jointly implemented with the Development Bank of the Philippines (DBP) and
5 the Land Bank of the Philippines (LBP) for the disbursement of the loan, and/or the
6 discounting of promissory notes issued to educational institutions.

7
8 Sec. 4. *SNPL Components.*– The SNPL shall have two components:

- 9 (a) Student Loan, where students who lacks necessary funds can take out
10 loan from the DBP or LBP for the payment of their tuition and other
11 school fees, and reasonable living expenses; and
12 (b) Discounting of Promissory Notes, where educational institutions that
13 have promissory notes issued by students with outstanding balances can
14 discount these notes to the DBP or LBP for cash.

15 *Provided,* That nothing herein shall limit the DepEd, CHED, TESDA, LBP, and
16 DBP from adopting other measures that will further the implementation of this Act.

17
18 Sec. 5. *Interest Rate Subsidy.*– The SNPL shall provide loan interest rate subsidy
19 to all students who avail of the loan under the SNPL.

20
21 Sec. 6. *Repayment Terms.*– The student loans extended under the SNPL shall
22 be payable within a reasonable period but it no case be less than one (1) year from
23 the time of the loan; *Provided,* That in case of student loans granted to tertiary
24 education and vocational and technical education, the loan shall, as far as practicable,
25 be payable only once the student has procured an employment with an appropriate
26 salary, as may be determined by the CHED or TESDA, in consultation with the Unified
27 Student Financial Assistance System for Tertiary Education (UniFast) Board.

28
29 Sec. 7. *Implementing Rules and Guidelines.*– The DepEd, CHED, TESDA, LBP,
30 and DBP, in consultation with appropriate government agencies and other relevant
31 stakeholders, shall within sixty (60) days from the effectivity of this Act, promulgate
32 the rules and regulations to effectively implement the provisions of this Act.

1
2 Sec. 8. *Appropriations.*— An amount of One Billion Pesos (PhP 1,000,000,000.00)
3 shall be appropriated for the initial implementation of this Act. Thereafter, an amount
4 not less than One Hundred Million Pesos (PhP 100,000,00.00) shall be included in the
5 annual General Appropriations Act.

6
7 Sec. 9. *Separability Clause.*— If any portion or provision of this Act is declared
8 unconstitutional, the remainder of this Act or any provisions not affected thereby shall
9 remain in force and effect.

10
11 Sec. 10. *Repealing Clause.*— Any law, presidential decree or issuance, executive
12 order, letter of instruction, rule or regulation inconsistent with the provisions of this
13 Act is hereby repealed or modified accordingly.

14
15 Sec. 11. *Effectivity.*— This Act shall take effect fifteen (15) days following its
16 complete publication in the Official Gazette or a newspaper of general circulation.

Approved,