



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 5422



Introduced by **HONORABLE ERNESTO “ERNIX” M. DIONISIO, JR.**

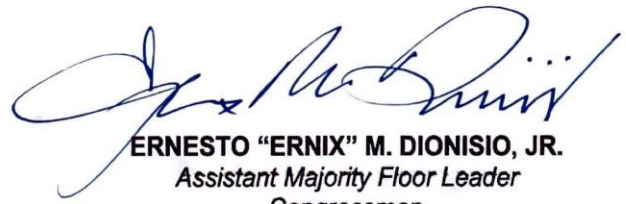
AN ACT
ESTABLISHING THE COLLEGE LIVING EXPENSES FINANCING (CLEF)
PROGRAM, MANDATING THE NATIONAL GOVERNMENT TO SET UP A LOAN
GUARANTEE FUND ON STUDENT LOANS TO BE PROVIDED BY THE
DEVELOPMENT BANK OF THE PHILIPPINES (DBP) AND THE LAND BANK OF
THE PHILIPPINES (LBP), APPROPRIATING FUNDS THEREFOR AND FOR
OTHER PURPOSES

EXPLANATORY NOTE

Section 1, Article XIV of the 1987 Constitution states: “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.

Likewise, Section 5(1), Article XIV of the 1987 Constitution states: “The State shall consider regional and sectoral needs and conditions and shall encourage local planning in the development of educational policies and programs. The realities in the ground are still far from ideal: access to tertiary education remains to be unreachable to some sectors in our nation, given their financial position. Despite the introduction of scholarships and grants, there are still day-to-day expenses that limit students’ full attention to precious resources given for their disposal.

This bill seeks to introduce a loan program for students’ living expenses, in order to nurture the future working citizens of this country. In view of this, the passage of this bill is highly sought.

A handwritten signature in blue ink, appearing to read 'Ernesto M. Dionisio, Jr.', with a stylized flourish at the end.

ERNESTO "ERNIX" M. DIONISIO, JR.

Assistant Majority Floor Leader

Congressman

First Congressional District of Manila



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HOUSE BILL No. 5422

Introduced by **HONORABLE ERNESTO “ERNIX” M. DIONISIO, JR.**

AN ACT ESTABLISHING THE COLLEGE LIVING EXPENSES FINANCING (CLEF) PROGRAM TO SUPPORT HIGHER STUDIES OF FILIPINO STUDENTS OF GOOD ACADEMIC STANDING, MANDATING THE NATIONAL GOVERNMENT TO SET UP A LOAN GUARANTEE FUND ON STUDENT LOANS TO BE PROVIDED BY THE DEVELOPMENT BANK OF THE PHILIPPINES (DBP) AND THE LAND BANK OF THE PHILIPPINES (LBP), APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall hereinafter be referred to as the "College Living Expenses Financing (CLEF) Act".

SECTION 2. Declaration of Policy. - It is the declared policy of the State to protect and promote the rights of all students to quality education at all levels. Towards the end, it shall hereby be the policy of the State to ensure that measures are enacted that will promote accessibility of higher education to all. T

SECTION 3. Coverage. - The CLEF program shall be made available to all Filipino students who are either enrolled at the time of the effectivity of the Act, or admitted to enroll at any time thereafter, in courses leading to a bachelor's degree in any higher educational institution accredited by the Commission on Higher Education (CHED).

SECTION 4. Nature of the Financial Assistance. – The CLEF Program is a long-term personal loan program designed to provide for the living expenses of Filipino college students. Living expenses shall cover, but not limited to, the following:

- (a) Board and lodging;
- (b) Living allowance;
- (c) Transportation costs;
- (d) Food expenses;

- (e) Uniforms and personal clothing;
- (f) Books and required supplies;
- (g) Internet and digital connectivity expenses;
- (h) Other miscellaneous expenses

The loan shall be provided by and disbursed through the Land Bank of the Philippines and Development Bank of the Philippines. Each eligible student shall be entitled to a maximum loan amount of Php 50,000 per semester or enrollment and a maximum of Php 400,000 allowing for up to five (5) years of college enrollments. The maximum loan amounts set forth therein may be adjusted every five (5) years on the basis of improvements in the standards of living, as may be determined by the disbursing financial institutions in consultation with the CHED and the Philippine Statistics Authority (PSA). The loan shall have a maximum term of twenty-five (25) years, an interest rate of lower than the prevailing interest rate subject to the discretion of the disbursing financial institutions, and a grace period on principal and interest payments so that amortizations shall start one (1) year from the date of graduation or the end of the last semester of enrollment, whichever is later. The administration of the CLEF Program shall be a shared responsibility of the (1) CHED, which shall process and endorse the loan application requirements of eligible students, and (2) the disbursing financial institutions, which shall release the amounts based on an approved disbursement program agreed with the student.

SECTION 5. Credit Guarantee by National Government - In order to cover for the risk exposures of the disbursing banks, the CLEF Guarantee Fund is hereby created within the Philippine Guarantee Corporation (PHILGUARANTEE), which shall be funded by yearly appropriations from the national government in the amount of ten billion pesos (P10,000,000,000.00) over the next ten (10) years to be deposited with the National Treasury. The endorsement of the Unified Student Financial Assistance System for Tertiary Education (UniFAST) Board shall be sufficient basis for the credit guarantee for the specific beneficiary student.

SECTION 6. Tracking and Monitoring. - Consistent with its mandate under Republic Act No. 10678 and Republic Act No. 10931, the UniFAST Board shall monitor and track the progress of the student loan beneficiaries under the CLEF Program to ensure that minimum academic standards of educational achievements are met. For purposes of encouraging good student performance. Sections 11, 12, and 13 of Republic Act No. 10687 shall also apply to the CLEF Program.

For purposes of tracking after graduation or leaving college without graduating, Section 15 (r) of Republic Act No. 10687 shall also apply to CLEF beneficiaries as part of the loan contract that they shall sign.

SECTION 7. Implementing Rules and Regulations. - Within thirty (30) days from the effectivity of this Act, the CHED and the UniFAST Board, in consultation with the local government leagues, and officials from the Bureau of Treasury, LandBank, Development Bank of the Philippines, and other stakeholders, shall promulgate the Implementing Rules and Regulations necessary for the proper implementation of this Act.

SECTION 8. 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 continue to be in full force and effect.

SECTION 9. 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 10. Repealing Clause. - All laws, executive orders, presidential decrees, implementing rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 11. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two newspapers of general circulation.

Approved,