

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. **6651**

EXPLANATORY NOTE

Under Article XIV, Section 1 of the 1987 Constitution, it states 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".

With the passage into law of Republic Act 10687 or the Universal Access to Quality Tertiary Education Act, there is now free tuition and exemption of all other fees for students of state colleges and universities.

While this is a very huge step in making quality education accessible to all, we must be reminded that the expenses that students have to bear does not only cover tuition and fees. There are other expenses that come with studying in college especially for those studying in colleges and universities in other provinces or cities, not where they live. There are also expenses for books, supplies and sometimes uniforms.

In view of the foregoing, immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

TO ESTABLISH THE COLLEGE LIVING EXPENSES FINANCING (CLEF) PROGRAM TO SUPPORT HIGHER STUDIES FOR HUNDRED OF THOUSANDS MORE FILIPINO STUDENTS OF GOOD ACADEMIC STANDING, MANDATING THE NATIONAL GOVERNMENT AND LOCAL GOVERNMENT UNITS TO SET UP LOAN GUARANTEE FUNDS ON STUDENT LOANS TO BE PROVIDED BY BANKS, FINANCIAL INSTITUTIONS AND OTHER CREDIT PROVIDERS FOR THE CLEF PROGRAM, 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. Title. – This Act shall hereinafter be referred to as the “College Educational Expenses Financing (CLEF) Act.”

SEC. 2. Declaration of Policy. – As proclaimed in R.A. 10931: “quality education is an inalienable right of all Filipinos and it is the policy of the State to protect and promote the rights of all students to quality education at all levels. Therefore, the State shall take appropriate steps to make such education accessible to all.”

R.A. 10687 provides that: “the State shall provide adequate funding and such other mechanisms to increase the participation rate among all socioeconomic classes in Tertiary Education, especially the poor, thereby promoting equitable and Rationalized Access by poor Filipinos to quality Tertiary Education.”

In furtherance of these policies, it is further declared the policy of the State to promote the capacities of all its citizens to improve their lives and life chances by way of greater and enhanced access to financial resources towards achieving for themselves quality higher education.

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

SEC. 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:

- board and lodging
- pocket money
- transportation cost
- food expenses
- uniforms and personal clothing
- books and supplies
- other miscellaneous expenses

Each eligible student shall be entitled to a maximum loan amount of Php 50,000 per Semester or enrolment and a maximum of P400,000 allowing for up to five year of college enrolments.

The loan shall have a maximum term of twenty five (25) years, an interest rate of 6% and a grace period on principal and interest payments so that amortizations shall start one year from the date of graduation or the end of the last semester of enrolment, whichever is later.

The loan shall be provided by and disbursed through private or government banks, financial service entities accredited with the Bangko Sentral ng Pilipinas (BSP) and/or government financial institutions, including the Social Security System (SSS), Government Service Insurance System (GSIS), or Home Development Mutual (Pag-IBIG) Fund.

The administration of the CLEF Programs shall be a shared responsibility of the (1) CHED which shall process and endorse the loan application requirements of eligible students, (2) the financial institutions – which shall release the amounts based on an approved disbursement program agreed with the student, and (3) the collecting agent – which can be a bank, a financial service institutions, financial technology service (FinTech) accredited with the Bangko Sentral, the SSS, GSIS or Pag-IBIG.

SEC. 5. Credit Guarantee by National Government and LGUs. – In order to encourage the banks and financial institutions to provide the needed resources for the Program, the CLEF Guarantee Fund is hereby created, which shall be funded by yearly appropriations from the national government in the amount of ten billion pesos (P10,000,000,000) over the next ten years to be deposited with the National Treasury. In like manner, local government units (LGUs), including provinces, cities, municipalities and barangays, shall set aside a minimum of 2% of their Internal Revenue Allotments (IRA) as additional guarantee support for CLEF loans to students from their respective constituencies, to be deposited with the Land Bank or Development Bank of the Philippines (DBP). The guarantee funds may support loans to the students up to five times of its nominal value. The endorsement of the UniFAST Board and/or the LGU concerned shall be sufficient basis for the credit guarantee for the specific beneficiary students.

SEC. 6. Tracking and Monitoring. – Consistent with its mandate under R.A. 10687 and R.A. 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 food student performance, Sections 11, 12 and 13 of R.A. 10687 shall also apply to the CLEF Program.

For purposes of tracking after graduation or leaving college without graduating, Section 15 (r) of R.A. 10687 shall also apply to CLEF beneficiaries as part of the loan contract that they shall sign.

SEC. 7. Implementing Rules and Regulations. – Within thirty (30) days from the effectivity of this Act, the UniFAST Board shall consult with the local government leagues, and officials from the Bureau of Treasury, Bankers Association of the Philippines, Land Bank, Development Bank of the Philippines, SSS, GSIS, Pag-IBIG, and other stakeholders and promulgate the Implementing Rules and Regulations necessary for the proper implementation of this Act.

SEC. 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.

SEC. 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.

SEC. 10. Repealing Clause. – All laws, executive orders, presidential decrees, Implementing Rules and Regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 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,