Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9769

Introduced by HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.

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

According to the Multidimensional Poverty Index (MPI) published by the Philippine Statistics Authority (PSA), 49.4% or roughly half of Filipino families in 2017 lacked access to basic education. Moreover, the Department of Education (DepEd) said that the total number of enrollees for SY 2020-2021 in the basic education sector has dropped to only 77% of the enrollment in the previous year.

This bill proposes to institutionalize a Study Now, Pay Later program for students in public and private educational institutions to ensure that their education does not suffer due to financial difficulties. This measure enables parents and students can directly access loans from the Development Bank of the Philippines (DBP), while schools can discount from the same financial institution the promissory notes of students and parents with pending loans.

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

LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

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

SEC. 2. Declaration of Policy. – The State recognizes and reiterates the Constitutional policy to protect and promote the right of all citizens to quality education at all levels and the complementary roles of public and private educational institutions in the educational system. Pursuant to this policy, the State shall ensure that all citizens of the Philippines are given access to quality education, either through the public or private educational system. In addition, the State shall ensure that the education of all students is not unnecessarily suspended or terminated due to lack of financial resources, by creating an accessible and affordable loan program that will enable students to continue their education despite financial difficulties.

SEC. 3. Establishment of Study Now, Pay Later Program. – There is hereby created a Study Now, Pay Later Program (SNPL) under the supervision of the Department of Education (DepEd) for K-12 students, the Commission on Higher Education (CHED) for tertiary education students, and the Technical Education and Skills Development Authority (TESDA) for technical vocational students. The Program shall be jointly implemented with the Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP) for the disbursement of the loan, and/or the discounting of promissory notes issued to educational institutions.

SEC. 4. SNPL Components. – The SNPL shall have two components:

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

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

SEC. 5. Interest Rate Subsidy. – The SNPL shall provide loan interest rate subsidy to all students who avail of the loan under the SNPL.

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

SEC. 7. Funding. – An amount of One Billion Pesos (Php1,000,000,000.00) shall be appropriated for the initial implementation of this Act. Thereafter, an amount not less than One Hundred Million Pesos (Php100,000,000.00) shall be annually appropriated in the appropriations act.

SEC. 8. Implementing Rules and Guidelines. – Within sixty (60) days from the effectivity of this Act, the DepEd, CHED, TESDA, LBP, and DBP, in consultation with appropriate government agencies and other relevant stakeholders, shall formulate the rules and regulations to effectively implement the provisions of this Act.

SEC. 9. Separability Clause. – Any portion or provisions of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions and provisions hereof as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SEC. 10. Repealing Clause. – All laws, decrees, executive orders, proclamations and administrative regulations, or any parts thereof inconsistent with the provisions of this Act are hereby revoked, repealed or modified accordingly.

SEC. 11. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in at least two (2) national papers of general circulation or in the Official Gazette.

Approved,