

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**Seventeenth Congress**  
First Regular Session

HOUSE BILL NO. **5066**



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**Introduced by Honorable Mark O. Go**

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**EXPLANATORY NOTE**

By express provision of the 1987 Constitution, 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 (Art. 14 Sec. 1). Furthermore, the State recognizes the complementary roles of public and private institutions in the educational system and shall exercise reasonable supervision and regulation of all educational institutions (Art 14. Sec. 4).

The role of Private Higher Education Institutions (PHEIs) in providing better access to education is a salient feature of our Higher Education System. In the Asian region, the enrollment share of PHEIs over the total higher education enrollment is around 36%. However, the Philippines is one of the few countries in the region wherein the enrollment share of PHEIs has traditionally been higher than that of State Universities/Colleges (SUCs). PHEIs constitute 88% of the nation's total higher education institutions, and make up at least 60% of the enrollment share in higher education. Former CHED Chairperson Dr. Patricia Licuanan noted that PHEIs has long dominated the landscape of higher education in the Philippines, citing that the University of Santo Tomas (UST) was established in 1611 long before the University of the Philippines (UP) was established in 1908. Given that education is a top priority of our government, it is only but necessary to direct our attention where majority of the students are, while continuing our efforts in improving the quality of and access to our SUCs.

Under the current Study-Now-Pay-Later scheme administered by the Commission on Higher Education, the government acts as the loan creditor of student-beneficiaries. However, the responsibility of providing access to higher education, and ensuring the retention of students in higher education institutions fall not only on the SUCs but on PHEIs as well. It is in this regard that we should provide PHEIs the avenue for taking on their part as the State's partners in nation-building and as investors in human development. By mandating all PHEIs to implement a Study-Now-Pay-Later program shouldered by their own funds, we ensure equity among Filipinos who view education as a means of overcoming poverty.

In view of the foregoing, immediate consideration and approval of this bill is earnestly sought.

**MARK O. GO**

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**AN ACT MANDATING ALL PRIVATE HIGHER EDUCATION INSTITUTIONS TO  
IMPLEMENT A STUDY-NOW-PAY-LATER PROGRAM**

*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 of 2017.***”

SECTION 2. ***Declaration of Policy.*** – It is the policy of the State to protect and promote the right of citizens to accessible tertiary education. Furthermore, the State recognizes the complementary roles of public and private institutions in the educational system. Towards this end, the State shall mandate all Private Higher Education Institutions to implement a Study-Now-Pay-Later Program.

SECTION 3. ***Eligibility of Scholars.*** – Any Filipino citizen enrolled in any degree program at any Private Higher Education Institution (PHIE) at the time of the effectivity of this Act, or shall enroll any time thereafter and whose family’s income does not exceed Php 300,000 per annum shall be eligible to apply for the Study-Now-Pay-Later program.

SECTION 4. ***Study-Now-Pay-Later Program.*** – There shall be a Study-Now-Pay-Later Program implemented at every PHEI accredited by the Commission on Higher Education (CHED). The Program shall be made available to five percent (5%) to ten percent (10%) of the student population of the implementing PHEI.

SECTION 5. ***Coverage of the Study-Now-Pay-Later Program.*** – The program shall be implemented to cover the full amount of the tuition fee of each student-beneficiary of the

program. Provided, that nothing in this Act shall preclude PHEIs from promulgating and developing other forms of financial assistance to their students.

SECTION 6. **Payment.** – The student-beneficiary shall be obliged to pay the PHEI the amount of tuition fee during the period covered by the program two (2) years after being gainfully employed. Payments shall be made in tranches based on the financial position of the payee. The mode of payment shall be determined by the PHEI subject to the approval of CHED.

In the event of failure to complete the payment in tranches, an interest of 6% per annum shall accrue upon the balance only after the period of the final tranche has lapsed.

SECTION 7. **Reportorial Requirements.** – Subject to the Rules of CHED, each PHEI is mandated to submit an annual report on the status of the number of beneficiaries of the program and the amount of tuition fees covered. CHED may require the submission of other reports deemed necessary for the efficient monitoring of the implementation of this Act.

SECTION 8. **Implementing Rules and Regulations.** – Within sixty (60) days from the effectivity of this Act, the CHED upon consultation with the Philippine Association of Colleges and Universities (PACU) and the Coordinating Council of Private Educational Associations of the Philippines (COCOPEA) shall promulgate the implementing rules and regulations necessary for the implementation of this Act.

SECTION 9. **Separability Clause.** – Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SECTION 10. **Repealing Clause.** – All laws, decrees, orders, rules and regulations, or other issuances or parts inconsistent with the provisions of this Acts are hereby repealed or modified accordingly.

SECTION 11. **Effectivity Clause.** – This Act shall take effect fifteen (15) days from the date of its publication in the *Official Gazette* or in two (2) newspapers of general circulation in the Philippines.

*Approved,*