

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



'22 JUL 11 P 6 :20

**SENATE**  
S. No. 274

RECEIVED BY: \_\_\_\_\_

---

Introduced by Senator Manuel "Lito" M. Lapid

---

**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**

**EXPLANATORY NOTE**

Republic Act. No. 10931, otherwise known as the "Universal Access to Quality Tertiary Education Act" provides that 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.

The said law provides for free tuition and exemption on other fees for students of state colleges and universities. While this significantly contributes to making quality education accessible to all, it must be noted that there are a lot more factors that hinder the attainment of this desired goal. One such obstacle is the cost-of-living expenses and other education related expenses which discourages qualified students in families below the poverty line to consider pursuing higher education.

*Libre man po ang tuition fee para sa ating mga estudyante. Marami pa rin po ang nahihirapan tumuloy sa kolehiyo sapagkat wala po silang mapagkukunan ng*

*pangtustos para sa kanilang pamumuhay habang nag-aaral. Lalo na po sa mga estudyanteng galing sa malayong lugar at kailangan pa pong magbiyahe at lumipat para makapag-aral, kailangan po ay mabigyan natin sila ng pagkakataon na magkaroon ng pagkukunan ng para sa kanilang tirahan, pagkain, aklat at iba pang gastusin.*

Although there are existing scholarships and grants, their scope is still limited.

Thus, this bill seeks to fill that gap by providing a means to cover other expenses that necessarily come with studying, such as board and lodging, pocket money, transportation costs, food expenses, uniforms and personal clothing, books and supplies and other miscellaneous expenses. Moreover, this bill seeks to alleviate the burden that the students face by offering them student loans with minimal interest.

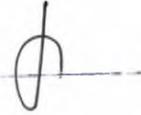
In view of the foregoing, early passage of this bill is earnestly requested.

  
**MANUEL "LITO" M. LAPID**  
Senator 

'22 JUL 11 P 6 :20

**SENATE**  
**S. No. 274**

RECEIVED BY



---

Introduced by Senator Manuel "Lito" M. Lapid

---

**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 the House of Representatives of the Philippines  
in Congress assembled:*

1           SECTION 1. *Short Title.* - This Act shall hereinafter be referred to as the  
2 "*College Living Expenses Financing (CLEF) Act*".  
3

4           SECTION 2. *Declaration of Policy.* - Republic Act. No. 10931, otherwise known  
5 as the "Universal Access to Quality Tertiary Education Act," provides that quality  
6 education is an inalienable right of all Filipinos and it is the policy of the State to  
7 protect and promote the rights of all students to quality education at all levels.  
8 Therefore, the State shall take appropriate steps to make such education accessible  
9 to all.

10  
11           Republic Act No. 10687, otherwise known as "Unified Student Financial  
12 Assistance System for Tertiary Education (UniFAST) Act," further provides that the  
13 State shall provide adequate funding and such other mechanisms to increase the  
14 participation rate among all socioeconomic classes in Tertiary Education, especially

1 the poor, thereby promoting equitable and Rationalized Access by poor Filipinos to  
2 quality Tertiary Education.

3  
4 In furtherance of these policies, it is hereby declared the policy of the State to  
5 promote the capacities of all citizens to improve their lives and life chances by way of  
6 greater and enhanced access to financial resources towards achieving for themselves  
7 quality higher education.

8  
9 SECTION 3. *Coverage.* - The CLEF program shall be made available to all  
10 Filipino students who are either enrolled at the time of the effectivity of the Act, or  
11 admitted to enroll at any time thereafter, in courses leading to a bachelor's degree in  
12 any higher educational institution accredited by the Commission on Higher Education  
13 (CHED).

14  
15 SECTION 4. - *Nature of the Financial Assistance.* The CLEF Program is a long-  
16 term personal loan program designed to provide for the living expenses of Filipino  
17 college students. Living expenses shall cover, but not limited to, the following:

- 18 (a) Board and lodging;
- 19 (b) Living allowance;
- 20 (c) Transportation costs;
- 21 (d) Food expenses;
- 22 (e) Uniforms and personal clothing;
- 23 (f) Books and supplies;
- 24 (g) Internet and digital connectivity expenses;
- 25 (h) Other miscellaneous expenses

26  
27 The loan shall be provided by and disbursed through the Land Bank of the  
28 Philippines and Development Bank of the Philippines.

29  
30 Each eligible student shall be entitled to a maximum loan amount of Php 50,000  
31 per semester or enrollment and a maximum of Php 400,000 allowing for up to five (5)  
32 years of college enrollments. The maximum loan amounts set forth therein may be

1 adjusted every five (5) years on the basis of improvements in the standards of living,  
2 as may be determined by the disbursing financial institutions in consultation with the  
3 CHED and the Philippine Statistics Authority (PSA).

4  
5 The loan shall have a maximum term of twenty-five (25) years, an interest rate  
6 of lower than the prevailing interest rate subject to the discretion of the disbursing  
7 financial institutions, and a grace period on principal and interest payments so that  
8 amortizations shall start one (1) year from the date of graduation or the end of the  
9 last semester of enrollment, whichever is later.

10  
11 The administration of the CLEF Program shall be a shared responsibility of the  
12 (1) CHED, which shall process and endorse the loan application requirements of  
13 eligible students, and (2) the disbursing financial institutions, which shall release the  
14 amounts based on an approved disbursement program agreed with the student.

15  
16 SECTION 5. *Credit Guarantee by National Government.* - In order to cover for  
17 the risk exposures of the disbursing banks, the CLEF Guarantee Fund is hereby created  
18 within the Philippine Guarantee Corporation (PHILGUARANTEE), which shall be funded  
19 by yearly appropriations from the national government in the amount of ten billion  
20 pesos (P10,000,000,000.00) over the next ten (10) years to be deposited with the  
21 National Treasury. The CLEF Guarantee Fund may support loans to the students up to  
22 five (5) times of its nominal value. The endorsement of the Unified Student Financial  
23 Assistance System for Tertiary Education (UniFAST) Board shall be sufficient basis for  
24 the credit guarantee for the specific beneficiary student.

25  
26 SECTION 6. *Tracking and Monitoring.* - Consistent with its mandate under  
27 Republic Act No. 10678 and Republic Act No. 10931, the UniFAST Board shall monitor  
28 and track the progress of the student loan beneficiaries under the CLEF Program to  
29 ensure that minimum academic standards of educational achievements are met. For  
30 purposes of encouraging good student performance, Sections 11, 12, and 13 of  
31 Republic Act No. 10687 shall also apply to the CLEF Program.

1 For purposes of tracking after graduation or leaving college without graduating,  
2 Section 15 (r) of Republic Act No. 10687 shall also apply to CLEF beneficiaries as part  
3 of the loan contract that they shall sign.  
4

5 SECTION 7. *Implementing Rules and Regulations.* - Within thirty (30) days from  
6 the effectivity of this Act, the CHED and the UniFAST Board, in consultation with the  
7 local government leagues, and officials from the Bureau of Treasury, LandBank,  
8 Development Bank of the Philippines, and other stakeholders, shall promulgate the  
9 Implementing Rules and Regulations necessary for the proper implementation of this  
10 Act.  
11

12 SECTION 8. *Separability Clause.* - If, for any reason, any provision of this Act  
13 is declared unconstitutional or invalid, parts or provisions of this Act which are not  
14 affected shall continue to be in full force and effect.  
15

16 SECTION 9. *Non-Impairment Clause.* - Nothing in this Act shall be construed as  
17 to diminish, impair, or repeal rights recognized, granted, or made available to  
18 disadvantaged, marginalized, or specific sectors under existing laws.  
19

20 SECTION 10. *Repealing Clause.* - All laws, executive orders, presidential  
21 decrees, implementing rules and regulations inconsistent with this Act are hereby  
22 repealed or modified accordingly.  
23

24 SECTION 11. *Effectivity.* - This Act shall take effect fifteen (15) days after its  
25 publication in the Official Gazette or in two newspapers of general circulation.  
26

27 *Approved,*